

SENATE.

WEDNESDAY, December 20, 1922.

(Legislative day of Saturday, December 16, 1922.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McKellar	Sheppard
Ball	Frelinghuysen	McKinley	Simmons
Bayard	George	McNary	Smith
Brandeggee	Gooding	Moses	Smoot
Brookhart	Harrell	Nelson	Spencer
Bursum	Harris	New	Sterling
Calder	Harrison	Nicholson	Sutherland
Cameron	Heflin	Norbeck	Townsend
Capper	Hitchcock	Norris	Underwood
Caraway	Johnson	Oddie	Wadsworth
Colt	Jones, Wash.	Overman	Walsh, Mass.
Culberson	Kellogg	Page	Walsh, Mont.
Cummins	Kendrick	Pepper	Warren
Curtis	King	Pittman	Watson
Dial	Ladd	Ransdell	Williams
Dillingham	La Follette	Reed, Mo.	
Ernst	Lodge	Reed, Pa.	
Fernald	McCumber	Robinson	

Mr. CURTIS. I wish to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent, due to illness in his family.

The PRESIDENT pro tempore. Sixty-nine Senators have answered to their names. There is a quorum present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 2, 5, 19, 24, and 25 to the bill, and had receded from its disagreement to the amendments of the Senate numbered 1 and 14 and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House agreed to the amendments of the Senate to the bill (H. R. 8996) to amend paragraph 440, section 5211, act June 3, 1864.

The message further announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case.

The message also announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5349) to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels.

The message further announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3034) for the relief of Lizzie Askeli.

PETITIONS.

Mr. ROBINSON presented resolutions adopted by the directors of the Lonoke National Farm Loan Association, of Lonoke, Ark., favoring the prompt adoption of an amendment to the Federal farm loan act providing for increase of the loan limit from \$10,000 to \$25,000, so that every actual farmer operating a standard farm unit may enjoy the benefits of the cooperative farm loan system, etc., which were referred to the Committee on Agriculture and Forestry.

Mr. CAPPER presented a resolution adopted by the Wellington (Kans.) Commercial Club, favoring the enactment of legislation providing a 1-cent drop-letter postage rate in cities, towns, and on rural routes, which was referred to the Committee on Post Offices and Post Roads.

Mr. KENDRICK presented a resolution adopted by the Cheyenne (Wyo.) Chamber of Commerce, favoring the passage of the so-called Capper-French truth in fabric bill, which was referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. PAGE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3244) to authorize the transfer of surplus books from the Navy Department to the Interior Department (Rept. No. 954); and

A bill (S. 4137) to authorize the transfer of certain vessels from the Navy to the Coast Guard (Rept. No. 955).

Mr. NELSON, from the Committee on the Judiciary, to which was referred the bill (S. 4029) to amend an act entitled "An act to incorporate the Texas Pacific Railroad Co., and to aid in the construction of its road, and for other purposes," approved March 3, 1871, and acts supplemental thereto, reported it with amendments and submitted a report (No. 956) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 4208) providing for the retirement of certain officers of the Marine Corps; to the Committee on Naval Affairs.

By Mr. CAMERON:

A bill (S. 4209) for the relief of Adelaide S. Fish; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A bill (S. 4210) for the relief of Stephenson & Bills; to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 4211) for the examination and survey of the Intracoastal Canal from the Mississippi River at or near New Orleans, La., to Corpus Christi, Tex.; to the Committee on Commerce.

A bill (S. 4212) to amend paragraph 11 of section 1001 of an act entitled "An act to reduce and equalize taxation, to provide revenue, and for other purposes," approved November 23, 1921; to the Committee on Finance.

By Mr. STERLING:

A bill (S. 4213) relating to sales and contracts to sell in interstate and foreign commerce; and

A bill (S. 4214) to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions or commerce among the States or Territories or with foreign nations; to the Committee on the Judiciary.

A bill (S. 4215) granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. WADSWORTH:

A bill (S. 4216) authorizing the sale of real property no longer required for military purposes; to the Committee on Military Affairs.

By Mr. DILLINGHAM:

A bill (S. 4217) to provide for the pay and allowances of certain officers of the Regular Army nominated to but not confirmed in higher grades; to the Committee on Military Affairs.

By Mr. McNARY:

A joint resolution (S. J. Res. 260) to provide for the deepening of Astoria Harbor, Oreg., and for other purposes; to the Committee on Commerce.

INVESTIGATION OF IMMIGRATION PROBLEMS.

Mr. RANSDELL submitted the following resolution (S. Res. 384), which was referred to the Committee on Immigration:

Whereas a shortage of labor now exists in the industries of agriculture and metalliferous mining;

Whereas under the existing percentage system for the admission of immigrants there are now being admitted into this country immigrants unsuited to employment in the fields of labor in which such shortage exists, thereby failing to relieve such shortage and increasing unemployment in other fields of labor; and

Whereas there exist many difficulties in the administration of the present immigration laws which may be avoided by suitable legislation: Therefore be it

Resolved, That the President of the Senate appoint a select committee to consist of three members of the Senate who are members of the Committee on Immigration, to investigate immigration problems in the United States, particularly with a view to relieving labor shortage in the United States by selecting, as the immigrants admissible under the present percentage system of admission, those who are best suited for employment in the fields of industry in which any shortage of labor exists and with a view to remedying the existing difficulties in the administration of the immigration laws. The committee shall make a final report to the Senate not later than January 1, 1924. For the purposes of this resolution, the committee is authorized to sit and act at such times and places, to make such expenditures, and to employ such stenographic and clerical assistants, as it deems necessary. The committee is further authorized to send for persons and

papers, to administer oaths, and to take testimony. The committee may, under the signature of the chairman, issue subpoenas for such purposes. The expenses of the committee shall be paid from the contingent fund of the Senate.

THE MERCHANT MARINE.

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. FLETCHER submitted sundry amendments intended to be proposed by him to the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TIME FOR PAYMENT OF RECLAMATION CHARGES.

Mr. KENDRICK submitted an amendment intended to be proposed by him to the bill (S. 4187) to extend the time for payment of charges due on reclamation projects, and for other purposes, which was ordered to lie on the table and to be printed.

ADVANCED RETIRED BANK FOR CERTAIN OFFICERS.

Mr. LODGE submitted two amendments intended to be proposed by him to the bill (H. R. 7864) providing for sundry matters affecting the naval establishment, which were referred to the Committee on Naval Affairs and ordered to be printed.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.

Mr. JONES of Washington. Mr. President, it seems to me that neither the friends of the motion of the Senator from Nebraska nor its opponents could lose anything by fixing a definite time to vote upon it. It would, I know, accommodate many Senators who have other things to do if they knew when the motion would be voted upon, so they would not have to stay here under the uncertainty of its coming up at any moment. I know that the mover of the motion is perfectly willing to vote to-day or to-morrow, although he would prefer, I think, to vote to-morrow, and I would have no objection to fixing a time to-morrow. So I ask unanimous consent that we vote on the motion to-morrow at 3 o'clock.

Mr. HARRISON. Mr. President, may I ask the Senator from Washington, and suggest also to the Senator from Nebraska, why could we not agree to vote on the motion, say, the day following the report from the Committee on Banking and Currency? The chairman of that committee stated yesterday that in all probability they would make their report the first of next week, as I understood him. We could in that case vote on the motion of the Senator from Nebraska about Tuesday or Wednesday. The motion is still pending. The speeches are now directed with respect to the agricultural credits bill and also the ship subsidy, and it would not disarrange anything. I make that suggestion.

Mr. JONES of Washington. The only question about that which occurs to me right now is that there might be a desire to take up the bill reported by the Banking and Currency Committee. It is very likely that bill could be taken up without motion, by unanimous consent, or if it should require a motion then it could not be substituted for the other measure; we would be put in the position of having to vote squarely on the motion of the Senator from Nebraska one way or the other. If that motion should be defeated, of course we could take up the bill reported by the Banking and Currency Committee, or if the Senate should vote to take up the bill of the Senator from Nebraska, probably an effort would be made to substitute for it the other bill. Otherwise I would have no objection, so far as I am concerned; but that, it occurs to me, would be rather an embarrassing situation.

Mr. HARRISON. May I say in answer to the suggestion that it seems to me if the Committee on Banking and Currency would make its report, all opposition to bringing up this question would give way, and you could substitute the Banking and Currency measure if you had the votes, the same as you could substitute it by voting to take it up, and it would save that much time.

Mr. JONES of Washington. No motion could be made to amend the motion of the Senator from Nebraska.

Mr. HARRISON. No; but if his motion prevailed and a majority voted for substituting the other bill, it could be done in that way.

Mr. JONES of Washington. That is true.

Mr. HARRISON. The question would be whether the bill of the Senator from Nebraska or the Banking and Currency bill was to be considered.

Mr. JONES of Washington. The whole proposition would be up, whether his bill was here or whether the other bill was here, so far as that is concerned.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. NORRIS. So far as I am personally concerned I would rather vote to-day than to-morrow. I would not like to vote to-morrow because one Senator who is now in the Chamber will not be here to-morrow. Perhaps he can change his arrangements so that it would not make any difference.

I think I ought to state to the Senator from Washington, and likewise to the Senate, because I want to be frank about it, that if the motion now pending, which I have made, shall fail, I intend to follow it as soon as I can get the floor with another motion to take up Order of Business No. 918, the joint resolution (S. J. Res. 253) proposing an amendment to the Constitution of the United States. I realize that if my motion fails there will not be any possibility of taking up any legislation affecting agricultural conditions until the Banking and Currency Committee reports. In the meantime the joint resolution, to which, so far as I know, there is no objection—there may be some opposition, and there may be Senators who will propose to offer amendments to it—will not have an opportunity to be considered until after the question of farm credits is disposed of. Between the action of the Senate, if it should refuse to take up the bill that I have suggested in the motion, and the time the Banking and Currency Committee reports we will probably have time to dispose of the joint resolution. If that joint resolution is to be passed in this Congress it ought to be passed soon in order to give the House an opportunity to act upon it.

The joint resolution has been reported from the Committee on Agriculture and Forestry. It proposes an amendment to the Constitution of the United States, one effect of which would be to eliminate the short session of Congress. It also provides for the beginning of the terms of service of Members of the Senate and of the House on the 1st day of January in each year after they shall have been elected. It further provides for the elimination of the Electoral College and the beginning of the presidential term on the third Monday of January following the election.

I feel that there is quite a deep interest in the country in the joint resolution; but if it should be passed in the short time remaining before the adjournment of the present Congress, which will expire on the 4th of next March, it would not bring about any effective result, for the House of Representatives would hardly have opportunity to act upon the joint resolution.

Mr. JONES of Washington. Mr. President, I know that the Senator from Nebraska has a perfect right to make a motion to take up any measure that he desires, and I merely suggested that we vote to-morrow. As the Senator knows, in my conversation with him on yesterday I gained the impression that he had no objection to voting to-day, but that he would prefer that the vote be taken to-morrow.

Mr. NORRIS. The Senator got a wrong impression. I desire to ask the senior Senator from Arkansas [Mr. ROBINSON] if he is going to be able to be present to-morrow?

Mr. ROBINSON. Yes.

Mr. NORRIS. Then I have no choice; it does not make any difference to me.

Mr. JONES of Washington. The Senator, perhaps, would just as lief vote to-day as to vote to-morrow?

Mr. FLETCHER. Mr. President, I wish the Senator from Washington [Mr. JONES] would not present that request. I think we are proceeding in an orderly way and without waste of time. I think we shall reach a vote in due course perhaps as quickly as, and it may be more quickly than, we should if we set a time for voting. There is one objection for setting a time to take a vote on a motion like this, and that is that nearly all Senators absent themselves from the Senate until the time for voting arrives; that there are very few here to listen to the debate and the discussion.

Mr. JONES of Washington. If the Senator will allow me to make a suggestion, I desire to say that I do not think that would be the case as to the pending motion, because we could go on considering the bill, and if the time should arrive when

it was likely that the debate would run out, we could vote upon amendments to the bill; so it is not like the ordinary case of fixing a time to vote on the final passage of a bill. If we shall fix the time when the vote is taken on the motion of the Senator from Nebraska, then of course we shall proceed with the consideration of amendments to the bill if there should be no further debate upon the measure; so, I take it, that Senators would feel just as much obligation to be here as they otherwise would.

Mr. NORRIS. So that there may be no misunderstanding, I should like to suggest to the Senator, though I may be wrong about it, that my idea is that so long as this motion is pending it would be improper to vote upon any amendment to the ship subsidy bill.

Mr. FLETCHER. I myself think that would be so. The motion would be the pending question, I take it, and I think it would not be in order to consider anything else.

Mr. NORRIS. It would not be in order to vote on any other question.

Mr. JONES of Washington. I ask unanimous consent that we vote to-day at 3 o'clock on the motion of the Senator from Nebraska.

Mr. FLETCHER. I object.

Mr. JONES of Washington. I make that request simply for the convenience of Senators, for it would be no convenience to me at all. It will not hasten or delay the passage of the pending measure in any way.

Mr. FLETCHER. I think, as I have stated, that we are proceeding without the waste of any time and should gain nothing by entering into an agreement to vote on the pending motion. I think that we shall reach a vote on it in due course and in an orderly way, and also without very much lapse of time. I do not like the idea of fixing a time for a vote for the reason which I have stated, that it means that Senators will be absent until the time for voting arrives; that they will not be here to listen to the discussion in the meantime. Fixing a time for a vote does not mean that another measure may be taken up or that a vote on amendments may be taken in the meantime, because the motion is the pending question and is the only question that may be considered until it shall have been voted upon. I think the Senator from Washington is in error in his statement in regard to that.

Mr. JONES of Washington. Mr. President, in making my request I thought I was accommodating Senators who on yesterday urged the necessity of getting promptly at legislation for the benefit of the farmer. It was urged, I know, by several Senators in the discussion yesterday that they were very anxious to consider legislation for the benefit of the farmer, and I thought the earlier we could get a vote on the pending motion, if it were carried, of course, the sooner we would reach a consideration of that question.

Now, Mr. President, I ask unanimous consent that we vote to-day at 4 o'clock on the motion.

Mr. REED of Missouri. Mr. President, if the Senator from Washington is anxious to consider farm legislation, if that is really his purpose, as is indicated by what he has just stated, it would be very easily accomplished by the Senator simply withdrawing his bill and letting us go on with the Norris bill, for he has that power.

Mr. JONES of Washington. The Senator from Missouri did not, of course, intentionally misrepresent my position, but he did not correctly state it. I suggested that several Senators on yesterday expressed a desire to take up the consideration of legislation for the benefit of the farmer and that I thought agreeing to my request would aid that end. However, Mr. President, I made my request really for the convenience of the Senators, and that is all. If Senators do not desire to give the consent which I have asked, it will not disturb me in the least.

The PRESIDENT pro tempore. The Secretary will state the request for unanimous consent which has been preferred by the Senator from Washington.

The ASSISTANT SECRETARY. The Senator from Washington [Mr. JONES] asks unanimous consent that at 4 o'clock this day, being the calendar day of Wednesday, December 20, 1922, the Senate shall proceed to vote without further debate upon the motion of the junior Senator from Nebraska [Mr. NORRIS] that the Senate proceed to the consideration of Senate bill 4050, a bill to provide for the purchase and sale of farm products.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. I object.

Mr. WILLIAMS. Mr. President, I object.

The PRESIDENT pro tempore. Objection is made.

TRANSFER OF LANDS IN FULTON COUNTY, GA.

Mr. SMOOT. Mr. President, I ask unanimous consent for the privilege of reporting from the Committee on Public Lands and Surveys two measures which are pressing for action. I first report from that committee, without amendment, the bill (H. R. 12174) to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary, and I submit a report (No. 952) thereon.

I may say the bill authorizes the Attorney General to quitclaim to Fulton County a strip of land 5 feet in width at the rear of the United States penitentiary in Georgia. McDonough Road is the principal thoroughfare in Fulton County, and in order to make it conform in width from one end to the other the 5 feet are asked for from the Government to be added to the roadway. The officials of the penitentiary report that the widening of the road would be a great advantage by facilitating the passage of incoming and outgoing vehicles from the penitentiary. Therefore, I ask unanimous consent for the present consideration of the bill:

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. JONES of Washington. Mr. President, I shall not object if the bill does not lead to discussion.

Mr. SMOOT. If it shall lead to any discussion whatever I will withdraw it.

Mr. NORRIS. Mr. President, I do not think what I wish to suggest will lead to discussion to exceed more than a minute or two; but the question arises in my mind why does this bill provide that the Attorney General shall make the conveyance? That is not the usual way of conveying land owned by the Government of the United States.

Mr. SMOOT. I think it is the usual method wherever the land is built upon and used and is not a portion of the public domain. The lands in question in this case were originally purchased by the Government.

Mr. NORRIS. The act of Congress would make the title good, of course. The Congress could authorize the Senator from Utah, or anybody else, to make the conveyance; I realize that; but there ought to be a uniformity in legislation of this kind.

Mr. SMOOT. I think that the uniform practice has been that the Attorney General has made such conveyances wherever the land has been originally purchased by the Government and does not constitute a portion of the public land. I think that the bill in this instance is in conformity with the general rule.

Mr. WALSH of Montana. Mr. President, it occurred to me as a member of the committee that it is quite appropriate in this instance, inasmuch as the penitentiary is under the supervision of the Department of Justice, that the head of that department should make the conveyance.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and empowered to convey, by quitclaim, to the county of Fulton, in the State of Georgia, for use as a public road, and for no other purpose, all the right, title, and interest of the United States of America in and to all that strip of land, 5 feet in width, off the northerly and northeasterly sides, along the McDonough Road frontage of United States penitentiary farm No. 1, in said county, between the easterly line of Sawtell Avenue and the westerly line of Forrest Road: *Provided, however,* That the county of Fulton shall not have the right to sell or convey the said premises, nor to use the same for any other purpose whatever than as herein provided, and in the event the premises shall cease to be used for a public road and cease to be cared for and maintained as are other public roads in said county, the right, title, and interest hereby authorized to be conveyed shall thereupon immediately revert to the United States: *Provided further,* That the conveyance herein authorized shall not be made until and unless a strip of land 5 feet wide is dedicated by the property owners on the opposite side of McDonough Road: *Provided further,* That the county of Fulton shall bear the cost of replacing the existing curb in front of the residence of the warden along said McDonough Road as widened.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. SMOOT. I ask that the report of the committee, accompanying the bill, may be printed in the RECORD at this point.

There being no objection, the report (No. 952) was ordered to be printed in the RECORD, as follows:

The Committee on Public Lands and Surveys, to whom was referred the bill (H. R. 12174) to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary, having

considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The purpose of this bill is fully explained in House Report No. 1261, as follows:

[House Report No. 1261, Sixty-seventh Congress, third session.]

WIDEN McDONOUGH ROAD IN FRONT OF THE UNITED STATES PENITENTIARY, FULTON COUNTY, GA.

Mr. LANGLEY, from the Committee on Public Buildings and Grounds, submitted the following report, to accompany H. R. 12174:

The Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 12174) to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States Penitentiary, having duly considered the same, hereby make report of it to the House with the recommendation that the bill do pass.

This bill was introduced by the chairman of your committee pursuant to a letter addressed to him by the Attorney General of the United States, which is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C.

HON. JOHN W. LANGLEY,
Chairman Committee on Public Buildings and Grounds,
House of Representatives.

MY DEAR MR. LANGLEY: The department is advised that the board of county commissioners of Fulton County, Ga., has undertaken to widen, by 10 feet, and otherwise to improve McDonough Road, one of the public streets of said county, under a plan which contemplates the dedication by abutting owners of the necessary land on each side thereof. As McDonough Road extends along the northerly and northeasterly sides of penitentiary farm No. 1, the county authorities have requested the United States to dedicate for that purpose a strip of land 5 feet in width, beginning on the easterly line of Sawtell Avenue and extending, of that width, along the southerly and southwesterly sides of McDonough Road to the westerly line of Forrest Road.

The superintendent of prisons and the warden of the penitentiary are of the opinion that to widen McDonough Road as aforesaid will result not only in better facilities of egress and ingress but will otherwise improve the Government's property, and they recommend that the dedication be made.

I see no objection to the proposed improvement, but am of opinion that the conveyance should be made only after the requisite authority has been secured from Congress.

I have therefore prepared the inclosed bill, with certain provisions and restrictions which I think adequate and proper, and am transmitting the same with the request that it have consideration by your committee with a view to its passage.

Respectfully,

H. M. DAUGHERTY,
Attorney General.

The following statement of Hon. Clint W. Hager, Federal district attorney of the northern district of Georgia, setting forth the need for immediate action on this bill, is made a part of this report:

"McDonough Road, which is the street running along the front of the penitentiary, is at the present time completely torn up and impassable along the entire front of the penitentiary property, rendering it impossible to either get in or out of the penitentiary with wagons or trucks. McDonough Road is a very narrow street and is entirely inadequate for the traffic since the Atlanta Penitentiary was located on it. The county commissioners of Fulton County have agreed to widen McDonough Road and have secured donations of land from the abutting property owners, so that the street may be widened approximately 10 feet. The county commissioners propose to widen the street along the penitentiary without cost to the Government provided an act of Congress is passed authorizing the Attorney General to convey a strip of land 5 feet in width to Fulton County for the purposes above set forth. It is imperative that quick action be taken in this matter by reason of the fact that if the work is delayed a few weeks and cold weather sets in, it will be impossible to make concrete, and in its present condition the penitentiary is isolated, with no means of ingress or egress. The commissioners are now completing the work on either side of the penitentiary property, and if they finish without completing the road in front of the penitentiary it will be a great loss to the Government."

McDonough Road extends along the penitentiary property a distance of 6,600 feet, and unless this bill is passed at once the road will be turned over to the county with this gap in it, and it will be necessary for the Government to do the work at its own expense.

Your committee recommends immediate and favorable action.

HOMESTEAD PRIVILEGES TO AMERICANS SERVING IN ALLIED ARMIES.

Mr. SMOOT. From the Committee on Public Lands and Surveys I also report back favorably, without amendment, the joint resolution (H. J. Res. 180) extending the provisions of the act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, approved February 14, 1920, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry to citizens of the United States who served with the allied armies during the World War, and I submit a report (No. 953) thereon.

I am advised, Mr. President, by the Secretary of the Interior that there are a number of cases pending now before the department, and he would like, if possible, to have the House joint resolution passed so that those cases may be acted upon and settled. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. UNDERWOOD. Mr. President, I should like to ask the Senator from Utah a question. I understood that some time ago—immediately after the close of the war, I think it was, and

during the last administration—there was a law passed giving priority in homestead entries to veterans of the World War. Is not that so?

Mr. SMOOT. That is true.

Mr. UNDERWOOD. Then, why is it necessary to enlarge that right by this joint resolution?

Mr. SMOOT. The joint resolution which I have reported merely affects American citizens who served during the war with the armies of our allies. All of the boys who served in the Army of the United States have that privilege, and the joint resolution simply extends it to American citizens who fought in the armies of the allies.

Mr. UNDERWOOD. For instance, American boys who went into the Canadian army.

Mr. SMOOT. That is what the joint resolution is designed to cover.

Mr. JONES of Washington. I shall not object to the consideration of the joint resolution if it does not lead to further discussion.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the provisions of the act of Congress of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, approved February 14, 1920, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry, be, and the same are hereby, extended to apply to those citizens of the United States who served with the allied armies during the World War, and who were honorably discharged, upon their resumption of citizenship in the United States, provided the service with the allied armies shall be similar to the service with the Army of the United States for which recognition is granted in the act and resolution herein referred to.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. SMOOT. In connection with the joint resolution, I ask that the report of the committee accompanying it may be printed in the RECORD.

There being no objection, the report (No. 953) was ordered to be printed in the RECORD, as follows:

The Committee on Public Lands and Surveys, to whom was referred the bill (H. J. Res. 180) extending the provisions of the act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, approved February 14, 1920, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry to citizens of the United States who served with the allied armies during the World War, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The purpose of this bill is fully explained in House Report No. 678, as follows:

[House Report No. 678. Sixty-seventh Congress, second session.]

CREDIT FOR MILITARY SERVICE DURING WORLD WAR.

Mr. SMITH of Idaho, from the Committee on the Public Lands, submitted the following report to accompany House Joint Resolution 180:

The Committee on the Public Lands, to whom was referred the joint resolution (H. J. Res. 180) extending the provisions of the act of February 25, 1919, and of Public Resolution No. 29, having had the same under consideration, report the same back to the House with the following amendment and recommend that as amended the bill do pass:

Amend page 2, line 1, by inserting after the word "War" the words "and who were honorably discharged" and a comma.

In recommending the passage of the measure the committee recites that before the United States became involved in the World War numerous American young men volunteered for service in the armies of France, Great Britain, notably Canada, and possibly other of the allied nations. Again, after the United States had entered the World War, other Americans who could not meet the high physical standards required for entrance into the service of the United States entered the armies of the Allies.

These soldiers gave service in the common cause in which the United States was engaged, similar to the service rendered by the American soldiers.

Following the World War, by act of Congress, citizenship was restored to all such Americans who had forfeited their citizenship by taking the oath of allegiance to a foreign country.

There seems to be every reason why the provisions of the acts referred to in this bill, applicable to those who were in the naval and military forces of the United States during the World War, should apply equally to those other citizens of the United States who saw service with the armies of the Allies and whose citizenship has been restored to them.

There is hereto attached letter from the Acting Secretary of the Interior to Hon. N. J. SINNOTT, chairman of the Committee on the Public Lands, indorsing the resolution.

DEPARTMENT OF THE INTERIOR,
Washington, August 9, 1921.

HON. N. J. SINNOTT,
Chairman Committee on the Public Lands,
House of Representatives.

MY DEAR MR. SINNOTT: I have your request of July 29, 1921, for report on House Joint Resolution 180, which proposes to extend the provisions of the act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries and of

Public Resolution No. 29, approved February 14, 1920, allowing a preference right of entry in connection with lands opened or restored to entry to citizens of the United States who served with the allied armies during the World War.

It is believed that the legislation proposed is meritorious, and I therefore recommend that the resolution be enacted.

Respectfully,

E. C. FINNEY, *Acting Secretary.*

CIVIL WAR PENSIONS.

Mr. BURSUM. Mr. President, some time ago the Senate passed Senate bill 3275 increasing the rate of pension allowed to Civil War veterans and the widows of such veterans. That bill passed the House with certain amendments. A conference was ordered between the two Houses on the disagreeing votes thereon. As a member of the committee of conference, I desire at this time to submit the conference report and ask unanimous consent that it be taken up immediately for consideration.

Mr. President, we are now in that season of the year when good will and good cheer should prevail all over the land, and I feel that it would be a splendid expression of gratitude on the part of the people of this country to the veterans of the Civil War now to consummate and complete this proposed legislation so that it may be passed in time to permit the signature of the President and may become a law as a Christmas present to the children of Lincoln of 1861.

The PRESIDENT pro tempore. The Chair desires to ask the Senator from New Mexico whether the conference report has been made to the House and acted upon there?

Mr. BURSUM. It originated in the Senate.

Mr. SMOOT. Who asked for the conference?

The PRESIDENT pro tempore. The Senate.

Mr. SMOOT. Then it should go to the House.

The PRESIDENT pro tempore. The Chair is advised that the House granted the conference.

Mr. WARREN. Mr. President, the report should be submitted to the House first if they granted the conference. We asked for a conference. In that case the other side granted it, and it goes to them first.

Mr. SMOOT. Yes; it goes to the House first.

Mr. JONES of Washington. I ask for the regular order.

The PRESIDENT pro tempore. The Chair desires to clear up this matter. He is advised that there are no papers here from the House, and, as he now understands, the conference report is not in a position to be acted upon by the Senate until some measure is received from the House of Representatives.

Mr. BURSUM. My understanding was that the Senate had asked for this conference.

Mr. SMOOT. But the House granted the conference. Therefore the report must go to the House first.

Mr. FLETCHER. Mr. President—

Mr. UNDERWOOD. Mr. President, it seems to me that of course the papers should properly go to the House that has not asked the conference, and there the papers should stay until the conference report; but that is not the question involved. I understand that the papers are on the desk of the Senate; and if the original papers are on the desk of the Senate and the Senator from New Mexico got hold of them there is no reason why the Senate can not act on the matter. It does not make any difference how he got hold of them.

I know that a good many years ago, in reference to a tariff bill that I reported to the House in a past administration, somebody raised the question that the Senate was entitled to the papers; but I had them, and I moved the adoption of the report, and the bill went to the President. Of course, if there is any real objection to the pension bill, that may be another matter; but if there is not any objection to the pension bill the papers are here, and there is no question that the Senate can act on the matter if it wants to.

The PRESIDENT pro tempore. What is the motion of the Senator from New Mexico?

Mr. BURSUM. The motion is to agree to the conference report.

Mr. SMOOT. Mr. President, if the original bill as it passed is among the papers, then the statement of the Senator from Alabama is correct; but if the original bill as it passed Congress is not in those papers we have no right to it at all.

Mr. UNDERWOOD. I agree with the Senator thoroughly; but the Senator from New Mexico said that the original papers were on the desk.

The PRESIDENT pro tempore. The Chair endeavored to state that the papers were not in the Senate, nor has the Senate been notified of any action on the part of the House. The original bill is not in the Senate and not on the desk.

Mr. UNDERWOOD. That makes a different state of the case. The Senator from New Mexico stated that he had the original papers.

RURAL CREDITS.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the report of the rural credits committee of the Conference of Farmers' Cooperative Marketing Associations, held in Washington last week. There were present at that conference representatives of about 1,000,000 members of cooperative marketing associations, and this report embodies their ideas as to rural credits legislation. It is very brief.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The report is as follows:

REPORT OF THE RURAL CREDITS COMMITTEE ADOPTED BY THE CONFERENCE OF NATIONAL COUNCIL OF FARMERS' COOPERATIVE MARKETING ASSOCIATIONS IN WASHINGTON, D. C., DECEMBER 15, 1922.

The committee on rural credits of the National Council of Farmers' Cooperative Marketing Associations has made a survey of the subject of farmers' credits and the legislation proposed on such rural credits.

Your committee recommends as follows:

1. That this national council announces as a general policy that the primary reliance of the farmer for credits for production or for marketing should be upon the local banker, and that under normal conditions the local banker is likely to meet the greater part of such needs.

2. That the Federal reserve system should be modified so as to meet the special requirements of farm credits and to permit the financing of farmers and farmers' cooperative marketing associations conveniently and efficiently through normal banking channels.

That such modification involves primarily the extension of the maturity of agricultural paper to a maximum limit of nine months, with the fixing of cooperative marketing for loans on such agricultural paper to any one cooperative marketing association to be fixed as 50 per cent of the capital and surplus of banks, members of the Federal reserve system, subject to the State laws wherever applicable; and that encouragement and inducement be made to have more State banks exercise the privilege of membership in the Federal reserve system.

3. That the maximum basis of loans from farm loan banks be raised from \$10,000 to \$25,000.

4. That adequate opportunity be presented for the creation of agricultural credit corporations with sufficient minimum capital to purchase or discount ordinary agricultural paper, with a maximum maturity of nine months and live-stock paper with a maturity of not more than three years; with rediscount corporations adequately capitalized to purchase such paper from agricultural credit corporations, with the privilege of rediscounting any such paper with its indorsement, through Federal reserve system.

5. That a farm credits department in the Federal land banks be set up in each of the land banks, with a capital of \$5,000,000, making a total of \$80,000,000 capitalized, against which credits may be issued to the extent of approximately \$600,000,000; and that these farm credits departments of the Federal farm banks be authorized to discount or purchase agricultural paper in a broad sense and to make loans or advance directly to cooperative marketing associations and agricultural cooperative credit organizations.

6. That the right of the Federal land banks to purchase production credits shall be limited to production credits where the note of the individual is indorsed by the cooperative credit association or is secured by a chattel mortgage on implements or animals, or both, and indorsed by the local banks, or where the note or draft itself is made by a cooperative credit association of producers; and that any Federal land bank may exercise any of the powers herein granted in any section or district of the United States.

We further recommend that the Committee on Banking and Currency of the House and Senate be requested to consider these suggestions and to combine them if possible into a rural credits act, to be introduced in such way as the committee may deem advisable.

The council announces as its policy that the cooperative marketing associations do not ask anything from the Federal Government except that legislation be enacted to permit farmers and farmers' organizations to have the same access to the Federal credits system, adapted to its needs, that all industries now possess, and to make provision for unforeseen emergencies by setting up a last reserve in such a manner as is above suggested in the farm credits department of the farm land banks.

THE MUSCLE SHOALS PLANT.

Mr. LADD. Mr. President, a few days ago my friend, the able Senator from Nebraska [Mr. NORRIS], took occasion to point out in the Senate what to him appeared to be injustices in the Ford proposal, in part to purchase and in part to lease Muscle Shoals, and he made some observations with regard to the attitude of those who differed with him on the proposal he has offered to the Senate and the country. To allow these charges to go unanswered, and as sponsor for the Ford offer, leaves me before the country, to say the least, in a compromising position. I, therefore, Mr. President, propose to present some phases of the other side of this great picture in which the large majority of our people are deeply interested.

Mr. President, there is apparently a great division of opinion as to the proper disposition of the great power project at Muscle Shoals, and in this division of opinion and the resultant inaction I fear that we are faced with the serious possibility of the plant either being scrapped or left in an uncompleted and haphazard manner as a serious liability of the Government. In this divergence of views there are some very meritorious ideas that are worthy of profound analysis, and such an analysis can be made without the slightest reflection upon the motives of anyone. There is honesty and integrity that has stood the test of years, and such honesty and integrity as has been most intelligent in most of its endeavors;

but, Mr. President, honesty and integrity is not always infallible in its application. Human mental processes will not always allow us to reach the same conclusion, even with the same statement of facts, because individual logic is different. And when there is a different understanding as to fundamental facts, it is quite reasonable to expect that there will be different conclusions as to the proper action to take.

There can be but little doubt, Mr. President, that if it had not been for the offer of Henry Ford, Muscle Shoals would be on its way to the scrap heap to-day; indeed, it would probably already have been there—save such portions as were desired by particular interests, and which they would probably have acquired for a song. Furthermore, it is doubtful if very much would have been said about the scrapping, but by common consent it would have been agreed that it was a great failure and a great blunder—chargeable to war cost—and it would have made its way to destruction, just as have so many other things that have come in the pathway of special privilege.

There is another thing, Mr. President, that we must bear in mind, and that is Mr. Ford was requested to make a bid for this property, and he did so upon the invitation of the Government. He has made his offer and has simply requested that we accept it or reject it; if there has been pro-Ford-offer propaganda, it has sprung from the American people, who know what they want in the way of the disposition of this plant. The burden is not upon Henry Ford to show that his proposition is the best thing for the country, but the burden is upon the Ford opponents to produce a better proposition. Mr. Ford's attitude is above reproach. He complied with the request of his Government and made an offer; that offer certainly resulted in saving Muscle Shoals from the scrap heap. Suddenly other men decided there was some value to the proposition; now Mr. Ford's position is simply "accept my offer or reject it," the responsibility is upon us. It would come with very poor grace for anyone to rise upon this floor and propagate the insinuation that Henry Ford is trying to graft something from the Government. I hope and believe that it will not be done.

FACTS VERSUS FICTION.

Mr. President, since the burden must be upon the opponents of the Ford offer to produce a better proposition, I first wish to direct attention to what is believed by some to be a solution of the problem, before I specifically answer some of the objections that have been made to the Ford offer.

My good friend, the Senator from Nebraska [Mr. NORRIS], is advocating a proposition about which he said (page 178, CONGRESSIONAL RECORD, December 7, 1922), "if the Senator will devote his energies and his eloquence to getting the Ford people to support the bill I have tried to get through, we will help the Alabama farmer ten thousand times more than the Ford proposition, if carried out, would help him. We will furnish him fertilizer at a price which does not include even an 8 per cent profit." I have no doubt, Mr. President, that the Senator believes every word of what he has said, and that his faith in his proposition is very much larger than the size of a mustard seed, but his belief is not conclusive evidence that he is right in his conclusions. He might have faith sufficient to remove mountains and still be wrong in his ideas as to the disposition of Muscle Shoals. Should, under his plan, the manufacture of fertilizer be successful and should that fertilizer be sold to the farmer at cost, Henry Ford might, even then—at a profit of 8 per cent—produce it and sell it to the farmer very much cheaper. There is no argument in that part of his statement. As to his statement that his proposition "will help the Alabama farmer ten thousand times more than the Ford proposition," I think I will be able to show in pointing out some features of his bill that he has tremendously overestimated the possibilities of farmer aid provided for in this proposed measure. In fact, I seriously doubt if the Senator really understands the possibilities, yea, the probabilities, of his bill.

In studying it I think I understand just what the Senator would like to accomplish; but his bill strikes me as being only a preamble to something more gigantic and, when beyond his control, something that would probably prove frightful in its consequences. What the Senator would like to accomplish and what his bill proposes are two separate and distinct things. The Senator believes that under his bill there will be a great development at Muscle Shoals, great reservoir dams built, vast endeavors in research. It is a glorious picture that he paints when he waxes eloquent on this subject, and he waxes eloquent because he believes that his bill will accomplish all these things. But, Mr. President, I make this expression of belief: If Senate bill 3420, as introduced by the Senator from Nebraska, should be passed and become a law, just the opposite of all these desirable things enumerated by the Senator would happen. If

there was any special interest that wanted Muscle Shoals, such as the Alabama Power Co., for instance, I do not see how they could draw a more subtle measure, such as would stand a chance of being slipped by the people of this country, than the Norris bill. I am sure that the Senator from Nebraska has never taken this viewpoint of the matter, but I am going to try to point out to the Senate some of the provisions of his bill.

WHAT THE NORRIS BILL PROPOSES.

The caption of the bill is—

To provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes.

The first section of the bill clearly authorizes and directs the Secretary of War "to cause surveys to be made" above the dams on the Tennessee River and its tributaries "for the purpose of locating storage reservoirs." However, there is no appropriation provided for this work, and there must be further legislation if the surveys are made. The section further provides—

If a suitable site or sites can be found upon such investigation where practical storage reservoirs can be obtained at reasonable cost, the Secretary is directed to take the necessary steps to secure such sites and to build the necessary dams for the impounding of water therein.

The defect in this is that the decision is left entirely with the Secretary of War as to whether or not suitable sites are found, and if they "can be obtained at reasonable cost." Therefore, it is left to the Secretary of War to decide whether or not there are suitable sites and if the cost at which they can be obtained is reasonable. What more authority could he desire, should he want to delay action, than to have such decisions left entirely within his power? Does anyone suppose that under these times of "normalcy" that the enormous business interests of this country that are in conflict with Muscle Shoals development would be challenged and antagonized by the selection of sites and the development of dams for the purpose of the Government going into competition with large private capital? Would the present administration go contrary in this matter to its avowed policy of taking the Government out of business? Does the Senator contemplate a delay of at least two years in this matter until the present administration passes into history and then take his chances with another administration that would probably prove just as positive in the same kind of policy? In addition to that, suppose the Secretary of War should select such sites, and suppose he should find that he could purchase such sites at "reasonable cost," then before he can buy them he will have to come to Congress for an appropriation. Indeed, this is splendid machinery to create all the delay that any interest who might desire the scrapping of Muscle Shoals could desire. In so far as this bill providing a means that will result in the development of the upper reaches of the Tennessee River and its tributaries and establishing these desirable reservoirs is concerned, we might as well discard the idea as merely a pleasant pipe dream.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LADD. I yield.

Mr. NORRIS. I would like to ask the Senator, if the proposition that this survey be made by the War Department is not proper, if it ought to be done in some other way, whether he would make a suggestion as to where the power should be placed rather than in the Secretary of War? Let me state to the Senator that I put it in the hands of the Secretary of War because the Secretary of War has the men, and the War Department has always been the instrumentality by which such surveys have been made. I would be very glad indeed if the Senator could suggest a better place to put it. I would be glad, if the bill was before us, to accept an amendment from the Senator from North Dakota or any other Senator lodging the power in better hands. Would the Senator be willing to put it in the hands of the corporation which it is proposed to set up?

Mr. LADD. No; I will perhaps show, as I go on further, the reason why I would not be willing to put it in the hands of the corporation.

Mr. NORRIS. I am referring to the survey. Assuming that we pass the bill, and the corporation provided for in the bill is set up, would the Senator rather put the power in the hands of the corporation than in the hands of the Secretary of War?

Mr. LADD. No; but I would want some control over it.

Mr. NORRIS. Where would the Senator put it? The Senator will admit, will he not, that this survey and the building of these reservoirs on the Tennessee for storage purposes are

absolutely necessary if we are to get the maximum amount of electrical energy out of the Tennessee River?

Mr. LADD. There is no question there. What I maintain is that the machinery is so cumbersome, the time required would be so long, the delays would be just what the opposition would desire in order to prevent action. Before the survey can be made there must be appropriations, and after the survey is made there must then be further appropriations and money raised from some source with which to purchase those sites.

Mr. NORRIS. The Senator must admit that provision of the machinery for bringing about the building of the storage reservoirs, if they are to be built, is just as important as the completion, for instance, of Dam No. 2 or Dam No. 3, particularly Dam No. 2. They could go on just the same, and it would necessarily have to be delayed long enough to make the surveys. If there is any other way to do it more quickly I want to say to the Senator that I would be delighted to have him suggest it and I would be glad to adopt it.

Mr. LADD. I think, if the Senator will allow me to go on, I will point out some of those things before I am through.

Mr. NORRIS. Very well.

Mr. LADD. It does not require very much experience in the National Legislature to know that there is frequently a difference of opinion between those who recommend appropriations and the Congress that grants such appropriations. Considering the various interests concerned about what happens to Muscle Shoals, and the difficulty that this Congress has had with that very proposition during the past two years, it is not an unreasonable conjecture that young men would blossom into the grave during the process of its long-drawn-out development, should it be developed by the Government and for the Government at all.

Mr. NORRIS. May I interrupt the Senator again?

Mr. LADD. Certainly.

Mr. NORRIS. Either now, or at some other time in the course of his remarks, I wish the Senator would point out to the Senate and to the country where in the Ford proposal there is any proposition to survey the river and to build storage reservoirs, which everybody admits are necessary to the full and maximum enjoyment of the water power there. Has the Ford proposition in it anywhere anything which would bind the Ford corporation to do anything of that kind, or have they even suggested such a contingency?

Mr. LADD. I will deal with those subjects somewhat later.

Mr. NORRIS. Very well.

Mr. LADD. In so far as the bill relates to the development of such reservoirs, it sounds like only a preamble to what might be desired.

FEDERAL CHEMICAL CORPORATION.

In sections 4 and 5 are found provisions for the chartering of "The Federal Chemical Corporation," and all of the powers of this so-called corporation are set forth. These two sections are very important, Mr. President. They are as follows:

Sec. 4. That there is hereby incorporated and created a corporation by the name, style, and title of "The Federal Chemical Corporation" (hereinafter referred to as the corporation). Said corporation shall have perpetual succession and shall have power—

- (1) To adopt, use, and alter a corporate seal;
- (2) To sue and be sued, and to complain and to defend in any court of law and equity within the United States;
- (3) To make and enforce such contracts as may be necessary to carry out the provisions of this act;
- (4) To appoint and fix the compensation of such employees, attorneys, and agents as are necessary for the transaction of the business of the corporation, to define their duties, require bonds of them, and fix the penalties thereof; but in no case shall any such employee receive a salary in excess of \$12,000 per annum;
- (5) To prescribe, amend, and repeal by-laws not inconsistent with this act for the conduct of its business; and
- (6) To exercise all the rights, powers, and privileges conferred upon it by this act and such additional powers as may be necessary to carry out the provisions of this act.

Sec. 5. That the business of said corporation shall be transacted by a board of directors (hereinafter called the board), consisting of three persons, to be appointed by the President of the United States, by and with the advice and consent of the Senate. Members of said board shall hold their offices during good behavior and shall receive a salary of \$7,500 per year, payable monthly: *Provided*, That any member of said board may be removed from office at any time by a concurrent resolution of the House of Representatives and the Senate. No member of said board shall during his continuance in office be engaged in any other business, but shall give his entire time to the business of said corporation. Said board shall select one of its members as president. It shall select a treasurer and as many assistant treasurers as it deems proper, and such treasurer and assistant treasurers may be corporations or banking institutions and shall give such security for the safe-keeping of the moneys of said corporation as the board may require. In the appointment of officials and the selection of employees for said corporation and in the promotion of any such employees or officials no political test or qualifications shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. The board shall give publicity to any request, coming from any source, asking for any favor in behalf of any person or the promotion of any employee. Any member of said board who permits the use of political or partisan influence in the selection of any employee, or in the promotion of any such employee of

said corporation, or who gives any consideration to political considerations in the official action of said board, or who, knowing that such political influence has been or is attempted, does not give publicity to the same, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not exceeding \$1,000 or be imprisoned not to exceed six months, or both such fine and imprisonment, and the conviction of any member of said board of the offense herein defined shall have the effect of removing such member from office.

Mr. President, I want to observe right here that the attempt to build up a merchant marine by means of a private corporation under governmental control was practically the same character of machinery as that proposed in this bill. That attempt, although started in good faith, resulted in failure, waste, extravagance, and the greatest scandals in the history of our Government. Even now we are faced with the colossal task of scrapping, junking, subsidizing, and a general untangling of business mismanagement that is so bad as to stagger the imagination and so rotten that it almost becomes necessary for us to put on gas masks as we approach the task. We have no assurance that we will not be faced with a very much greater problem in untangling the complications that will certainly result should Senate bill 3420 become a law.

Mr. NORRIS. In drawing the provisions which the Senator has just read, I was moved by a desire to make this corporation entirely independent of partisan or political control, as much as human ingenuity could make it so. Of course, I understand that the Senator is opposed to the Government operating anything. He is opposed to the Government operating anything either through the instrumentality of a corporation or otherwise, and I concede he has a right to that opinion; but I would like to ask the Senator again if he can point out any amendment which would improve the measure or avoid the dangers he says exist, which I do not believe exist. I would be glad to have him do it. I do not claim to have the last word in the construction of an act providing for a corporation. I welcome any criticism tending to improve it, and even though the Senator is opposed to Government operation of anything, I wish he would take the viewpoint of one who believes that there are some things the Government ought to do and, taking that viewpoint, assist to the extent of his great ability in suggesting amendments which would avoid the pitfalls he says are certain to overtake the corporation.

Mr. LADD. Mr. President, if the Norris bill comes before the Senate I shall offer some amendments and suggestions, in the first place; in the second place, I want to correct the statement of the Senator that I am opposed to Government operation and ownership. Just the opposite to that; I am in favor of Government ownership and operation of certain industries, and especially those which may be considered as public utilities, but I am not in favor of such operation unless I am convinced that it is going to be for the best interests of all the people of the country.

Mr. NORRIS. I assumed from other things he has said about this proposition that the Senator was opposed to Government operation, because the bill I have reported, the one setting up this corporation, provides one method of Government operation. I am not criticizing the Senator because he is opposed to it. He has a perfect right to be opposed to the Government operation at Muscle Shoals, of course, and to be in favor of Government operation of public utilities. But does not the Senator favor Government control of any kind of the use of electricity which is generated from our navigable streams?

Mr. LADD. I certainly am, and if the Senator will wait until I am through I think he will find that I pointed out some of the reasons.

Mr. NORRIS. If the Senator is in favor of that, I would like to have him explain why he is favorable to the Ford offer, which proposes that the Government shall turn over to the Ford corporation, without any regulation, all of the surplus energy which will be generated at Muscle Shoals.

Mr. LADD. I can not agree with the Senator that such is done; but I prefer to discuss the matter along this line, and take up those other matters on another occasion.

WHICH, A COMMISSION OR A CORPORATION?

Let us notice for a moment the character of this proposed corporation.

First, does this bill actually create a corporation? There is some doubt in my mind as to whether this is a corporation or is simply a commission. We will take it for granted, however, that it is a corporation. If it is, there is no limit upon its capital, and should it become necessary to have capital in order to begin its operations, then that capital must be obtained by appropriation of Congress or the corporation must rely upon its own resources in order to obtain money. If capital is to be supplied by an appropriation of Congress, then there is a still further delay, and there is no assurance to the Ameri-

can people as to what amounts will be required. Indeed, it is entirely probable that each succeeding Congress will be besieged with requests for additional appropriations. It is safe to assume that there can be no activity in the way of manufacturing fertilizer unless the corporation is at least supplied with sufficient capital for operating expenses. But suppose the corporation should not wait upon Congress for an appropriation, but depends entirely upon its own resources, and the directors should decide that it was necessary to borrow money for operating expenses. Under paragraph (3) of section 4 the corporation has the power "to make and enforce such contracts as may be necessary to carry out the provisions of this act." Under this authority the corporation could borrow money and secure it by mortgage upon any property that was in its possession, and the first step would be made toward turning it over to private control, or else pave the way for burdensome appropriations in order for Congress to save the situation.

ALABAMA POWER CO. AND GORGAS.

It may be contended that funds would be provided by that portion of section 6 which reads, "Said corporation is authorized to negotiate with the Alabama Power Co. for the purpose of settling the difficulties existing between the Government of the United States and the said power company by virtue of the joint ownership of the power plant at Gorgas, Ala.; and it is authorized to sell the interest of the Government of the United States in said plant to the said Alabama Power Co., and to use the money received therefor in the operation of its business as hereinbefore described." But there is nothing in the act which prescribes just what that settlement would be, and the red tape of negotiation for settlement might be strung out over a period of years, most especially should the Alabama Power Co. decide that it would be desirable to delay and hamper the corporation as long as possible. And I might observe in this connection, Mr. President, that it is doubtful if the Alabama Power Co. itself could have drawn a provision that would have been more pleasing to them than this provision which assures them the ownership of the Gorgas plant. It makes it impossible for the directors to dispose of the interest of the Government to anyone else, and serves notice to the Alabama Power Co. that they will have no competition but can negotiate as long as they please and finally, no doubt, settle on their own terms; and that would be most especially true should the corporation experience some period wherein it was short of funds and would be willing to make considerable sacrifice in order to obtain money.

Mr. President, this bill either provides for a private corporation or a simple commission or it provides nothing. If it is a private corporation—and it must be, since it is to be granted a legal entity and the right to sue and be sued, and to adopt, use, and alter a corporate seal, make and enforce contracts, and the other rights of a corporation—then there are some very serious aspects of its powers that should be carefully considered.

In the first place, "said corporation shall have perpetual succession." The bill reserves to Congress no rights to alter, amend, or repeal, and once it is organized and contractual relations established, Congress can not in any way alter or change the law or the powers granted under it, because all the powers granted in the act become part of the contracts entered into by it. On the other hand, if it is not such a private corporation, and Congress has the right to change the law, then the whole act is nothing but a scrap of paper, because any succeeding Congress may change it. It is well established that no Congress has the power to bind any succeeding Congress.

GOVERNMENT WITHOUT CONTROL.

The fact that the corporation is supposed to be controlled by the Government does not affect the legal position of the corporation. This situation again parallels the situation in the Emergency Fleet Corporation. The Supreme Court held (October term, 1921) in the case of Sloan Shipyards Corporation et al., appellants, v. United States Shipping Board Emergency Fleet Corporation and the United States of America, that—

The United States took all the stock, but that did not affect the legal position of the company.

Indeed, there is another point to consider: This corporation being a private corporation, could it compete with other concerns to the extent that it was injurious to their business, and would it not be brought under the restrictions of the Sherman Act, the Federal Trade Commission acts, and other regulatory measures? If so, then all of the wonderful possibilities that the Senator claims for it as an aid to the farmer begin to fade into insignificance. Indeed, it can not be a private corporation for one purpose and at the same time be a Government commission for another purpose. It must be one or the other; it can not blow hot and cold.

IS IT A PRIVATE CORPORATION?

This corporation being a private corporation can very easily get around the provision that attempts to limit the salary of any employee to \$12,000 per annum. Congress may provide that in its charter, but since it is a private corporation and the employees are not under the direction of Congress, there is nothing to prevent the payment of fees and commissions in addition to the salary. Of course, if the salaries were to be paid by appropriations of Congress, then Congress could direct the expenditure of its appropriation. But it is contemplated that this corporation will receive great funds from sources other than Congress.

Now, let us consider for a moment another grave provision in this bill, and that is that the business of the corporation—

shall be transacted by a board of directors consisting of three persons, to be appointed by the President of the United States, by and with the advice and consent of the Senate. Members of said board shall hold their office during good behavior and shall receive a salary of \$7,500 per year, payable monthly: *Provided*, That any member of said board may be removed from office at any time by a concurrent resolution of the House of Representatives and the Senate.

What the Senator has attempted to do here may be commendable, but he has actually done nothing other than to provide that the President shall appoint these directors by and with the advice and consent of the Senate, and that they shall hold their office during good behavior. Notwithstanding the fact that the Senator attempts to reserve to Congress the right to remove these directors by a concurrent resolution, he has not done so. The President has the right of appointment here and he alone will be the judge of "good behavior," and if the President decides that they shall come out or stay in his word alone is final. The only way that Congress can remove one of them is by the constitutional method of impeachment or by abolishing the office, and since the bill does not reserve the right to alter, amend, or appeal, then Congress can not abolish the job. This whole question has been thoroughly thrashed out and settled. The question arose during the first administration of President Cleveland and the whole matter is set forth at length in Senate Report No. 135 of the Forty-ninth Congress, first session. So the Senator simply places these three directors in the same category of all other presidential appointees, and, notwithstanding the fact that he has provided a misdemeanor, punishable by fine or imprisonment, for the use of political influence in the selecting of officers and employees of the corporation, yet these directors will not come within that provision, and they will be subject to the pleasure of each succeeding administration.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LADD. I yield.

Mr. NORRIS. Does the Senator contend that a new President coming could remove one of those directors?

Mr. LADD. He alone has the authority.

Mr. NORRIS. He would not have authority to remove them any more than he has authority to remove an appointee of the Supreme Court. Does the Senator contend that the President, for instance, President Harding, could remove a member of the Federal Trade Commission?

Mr. LADD. I am not referring to that; I am referring to what took place under the Cleveland administration and a similar power under the bill here.

Mr. NORRIS. Oh, the Senator must be in error about it. The President would not have any authority to remove one of those men, and the only reason the Senator gives why he would have the authority is because he has the appointing power. He would not have any more authority to remove one of them than he would have to remove a member of the Federal Trade Commission. Does the Senator seriously contend that by concurrent resolution the proposed directors could not be removed?

Mr. LADD. I say there is some grave doubt about it.

Mr. NORRIS. I do not think there is a particle of doubt, but if there is, and if the appointment plan is not right, if the Senator has a better way, I would be very glad to follow it. I call the Senator's attention to the fact that the bill never even came before the Committee on Agriculture and Forestry so an opportunity was had for anybody to suggest an amendment. The Senator himself was one of the members, and the other Ford supporters helped him to prevent even the consideration of those propositions by the committee and voted to prevent it from having any opportunity to amend it or even to discuss it. I would like to have the Senator assist us in a constructive way. If there is something wrong with it, or if there is anything that can be offered to improve it—and I have no doubt

the Senator could indicate many places where it ought to be improved—I would go with him wholeheartedly and endeavor to improve it in every respect.

Mr. LADD. That is just why I am trying to point out at this time some of the defects, as I consider them, in the bill. It was only because the Senator made the remark he did a few days ago in the course of his observations that I am led to make the statement I am now making.

Mr. NORRIS. The Senator, it seems to me, is inconsistent in pointing them out now when he and the other Ford men prevented the Committee on Agriculture and Forestry from doing just what I say I would like to have done by constructive statesmen like the Senator—to suggest amendments and improve the measure.

Mr. LADD. And those who are opposed to the Ford offer prevented action also on the other side equally well.

Mr. NORRIS. What action?

Mr. LADD. Favorable action for consideration of the Ford offer.

Mr. NORRIS. The majority of the committee was against accepting the Ford proposition. The majority of the committee, composed of all the Ford men and a few members of the committee who were probably opposed to either proposition, went with the Senator and the other Ford men and prevented the improvement of the bill that ought to be made if the Senator's criticism is right.

POLITICAL MAKESHIFTS.

Mr. LADD. But even in the question he raises about the use of political influence, what is to be the definition of "political or partisan influence"? Who is to determine these things? Is it to be done by a court and jury? Mr. President, the whole idea is simply visionary. We will never accomplish anything in the way of reform by such makeshift measures.

May I direct the attention of the Senate to this thought: Since these directors are to come in the class of other political presidential appointees, who for one moment doubts that they will be subjected to the same pressure of the same old interests? Mr. President, this bill would simply result in a financial juggernaut, a colossus that would crush the whole project. Instead of proving a salvation to the farmer it would prove a curse. I know that the Senator has conscientiously given a great deal of time and thought to this subject, and that there is no man in the Senate who has the interests of the people more at heart, but he has evidently taken some very bad advice in this matter.

WOULD PROTECT BIG BUSINESS.

To this private corporation, with this loose organization, with practically no governmental regulation, is to be granted all of these great properties and without consideration. Mr. President, if there were designing big interests who wanted to "trick" the American people out of all this property, they could not desire a better measure than this bill to accomplish their purpose.

Mr. NORRIS. Mr. President, will the Senator tell just how the big interests would get it? How would they get it away from this corporation?

Mr. LADD. I shall have to object to further interruption at this time and must confine myself to a full discussion of the matter in my own way.

To accept this means of settling the Muscle Shoals matter means to accept a proposition that will either terminate in scrapping the entire project, or eventually turning it over to some special interests for practically nothing. Under this arrangement, Mr. President, like the Shipping Board, it will be made to show losses if it is actually making money. It will soon be held up to the American people as a dismal failure, a white albatross around our necks, a thing to be gotten rid of in some manner—to be "wished" off on some private parties if they are willing to assume the burdens. The farmer's dream of cheap fertilizer will vaporize into the heavens. It is not a pleasant thing to say it, but it is a fact that we must face.

That the administration does not indorse Government ownership or operation of public utilities is clearly evident from statements set forth in President Harding's address before Congress when he said, speaking of the railroads:

Government operation does not afford the cure. It was Government operation which brought us to the very state of things against which we now rebel, and we are still liquidating the costs of that supreme folly.

Mr. NORRIS. Mr. President, I shall not interrupt the Senator if he meant what he said awhile ago that he did not want to be interrupted further. Of course, the Senator has a right to object to interruption, and without complaint I shall accept his suggestion. If he objects I shall not ask any questions, but I would like to ask on the proposition he has just mentioned—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LADD. I yield for a question only.

Mr. NORRIS. Does the Senator agree with the President of the United States on what he has just read from the President's message?

Mr. LADD. I do not.

Mr. NORRIS. Then on the Muscle Shoals proposition the Senator does agree with the President, who is opposed to my bill, as is the Senator. Is that true?

Mr. LADD. That is not entirely true.

Mr. NORRIS. How true is it? How much truth is there in it? The President has said that he is opposed to my bill, and I think he is, and the Senator from North Dakota is opposed to it. Does the Senator agree with the President?

Mr. LADD. As I shall state further on in my remarks, when there is presented a bill providing Government ownership or otherwise that is more favorable to the people, in my judgment, than the Ford offer, I shall drop the Ford offer and take up the new proposition within 20 minutes.

Mr. NORRIS. I wish the Senator would prepare such a bill. I would like to go with him on it, or modify mine so it will meet that contingency.

Mr. LADD. Mr. President, if one but studies governmental operation and control of our railroads, of the magnificent fleet of ships owned by the United States, and other activities, one can not escape being convinced that there is no intention on the part of certain great interests in permitting Government ownership to succeed even in handling or operating public utilities in the interest of all the people, but it may be done for the benefit of certain groups. For New York to build a great State-owned elevator to handle grain, to promote foreign export, to insure a needed food supply for New York City, and for the special benefit of the middlemen and speculators is lauded as good business and a great achievement. That there should be built a great grain elevator and magnificent cotton warehouses by Louisiana to promote foreign export through New Orleans by the middlemen and speculators is again acclaimed as a great achievement and proper use of governmental funds, but when the producers of my own State propose to erect an elevator to be used for the benefit of the producers in that great basic industry, agriculture, now prostrate because of unfair discrimination on the part of the Government, the manipulation of middlemen and grain speculators with protection of a four to five decision by courts to overthrow the lower courts, the building of such an elevator by the State is nation-wide acclaimed as paternalism, the putting of Government into business, as interfering with the sacred rights of privilege who already have gained control of the insurance companies, banks, mills, railroads, and mines, and who are now seeking to control the land, and by the policy adopted through credit control are fast accomplishing their purpose. Those who advocate such a policy for State warehouses are branded as socialists and dangerous citizens, and at times mob rule encouraged and protected by self-appointed representatives of special privilege which marks a forward step in evolution of government by and for the people. We are now at the fork of the road; which way shall we proceed?

The Senator from Nebraska stated in his speech in the Senate on December 7 (p. 175, CONGRESSIONAL RECORD) that—

When the farmers of America understand the iniquity of this Ford proposition they will rise en masse and condemn it, and they will condemn any man who stands for it.

May I but caution the Senator, Mr. President, that Haman hung on his own gibbet.

The Senator seems to be afraid of corporations, yet he does not seem to realize that he proposes to create a private corporation that will have infinitely more of power than the one proposed by Mr. Ford, and infinitely less of control, supervision, and regulation than the one proposed by Mr. Ford. To my mind, Mr. President, the proposition does not harmonize in the least with the wonderful fight the Senator has made during a long period of years in behalf of the people.

Perhaps we are all prone to overlook faults in our own creation, but it seems to me that the Senator does not apply the same rules of analysis to his own proposition that he insists upon applying to the Ford proposal. Both are private corporations, and there is the distinction that the Ford corporation will have less of power and equally as much, if not more, of regulation under the general laws than will have the proposed Norris corporation. I know of nothing that will exempt the Ford corporation from the operation of the Federal Trade Commission acts, the Sherman Act, and other regulatory measures.

AMOUNT OF FERTILIZERS USED.

Mr. President, during the years from 1913 to 1920, inclusive, the average annual amount of fertilizer used in the United States was 6,543,435 tons (House hearings on Muscle Shoals propositions, p. 96).

I wish to direct the attention of the Senate to paragraph 15 of the Ford offer, which is as follows:

Since the manufacture, sale, and distribution of commercial fertilizers to farmers and other users thereof constitutes one of the principal considerations of this offer, the company expressly agrees that, continuously throughout the lease period, except as it may be prevented by reconstruction of the plant itself, or by war, strikes, accidents, fires, or other causes beyond its control, it will manufacture nitrogen and other commercial fertilizers, mixed at nitrate plant No. 2, or its equivalent, or at such other plant or plants adjacent or near thereto as it may construct, using the most economical source of power available. The annual production of these fertilizers shall have a nitrogen content of at least 40,000 tons of fixed nitrogen, which is the present annual capacity of nitrate plant No. 2. If during the lease period said nitrate plant No. 2 is destroyed or damaged from any cause, the company agrees to restore such plant, within a reasonable time, to its former capacity, and further agrees:

(a) To determine by research whether by means of electric furnace methods and industrial chemistry there may be produced, on a commercial scale, fertilizer compounds of higher grade and at lower prices than farmers and other users of commercial fertilizers have in the past been able to obtain, and to determine whether in a broad way the application of electricity and industrial chemistry may accomplish for the agricultural industry of the country what they have economically accomplished for other industries, and if so found and determined, to reasonably employ such improved methods.

(b) To maintain nitrate plant No. 2 in its present state of readiness, or its equivalent, for immediate operation in the manufacture of materials necessary in time of war for the production of explosives.

This language seems to be plain enough for anyone to understand that the company is bound "continuously throughout the lease period" to "manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, according to demand." We will discuss Mr. Ford's personal liability a little later on.

Also, "the annual production of these fertilizers shall have a nitrogen content of at least 40,000 tons of fixed nitrogen." There seems to be some contention over this point, Mr. President, and some of the opponents of the Ford offer seek consolation in the fact that his obligation to manufacture fertilizer is limited to that amount. There had to be a minimum, and the only reasonable minimum to take was the annual capacity of nitrate plant No. 2, which was the only plant that was running successfully. The fact that Mr. Ford has agreed upon a minimum does not mean at all that he will not produce more. But suppose that he should not produce but the minimum amount, what then?

FORD WOULD MAKE A FOURTH OF ALL FERTILIZERS USED.

How much of commercial fertilizer would that be? I quote from page 367 of the House hearings:

Mr. Ford agrees in his offer "to operate nitrate plant No. 2 at the approximate present annual capacity of its machinery and equipment in the production of nitrogen and other commercial fertilizers (said capacity being equal to approximately 110,000 tons of ammonium nitrate per annum) throughout the lease period," etc.

He therefore agrees to make nitrogen commercial fertilizers and other kinds of commercial fertilizers requiring for their nitrogen content an amount of nitrogen equal to the amount of nitrogen contained in 110,000 tons of ammonium nitrate. Since ammonium nitrate is 35 per cent nitrogen, 110,000 tons of ammonium nitrate contains 38,500 tons of nitrogen. This is sufficient nitrogen to make—

Ammonium sulphate (24 per cent nitrogen), 160,000 tons; sodium (Chilean) nitrate (16 per cent nitrogen), 240,000 tons; 2-8-2 commercial fertilizer (2 per cent nitrogen), 1,925,000 tons.

It should not be understood, however, that Mr. Ford intends to make any of these, for it is his expressed purpose to produce a more concentrated plant food than any of the above forms.

If Mr. Ford should succeed in producing a more concentrated plant food, and can save the farmers in the weight of fertilizer shipments, he will cut down a great deal of the fertilizer expense in freight. It will be seen by these figures, however, that under the proposition to which Mr. Ford is obligated he will produce a minimum of nearly 2,000,000 tons of 2-8-2 commercial fertilizer, or about one-fourth of the amount required for American use. If the theory that the price obtained for our 10 per cent surplus in farm commodities governs the price we obtain for the entire crop means anything, then it should be equally true that the price Mr. Ford will make for his amount of fertilizers, equaling about 25 per cent of what we need for national consumption, should equally affect the price for all the fertilizer sold in the United States. If the theory holds good in one instance, it should hold good in the other.

REDUCE THE COST OF FERTILIZERS.

Even the opponents of the Ford offer seem to think that Mr. Ford will reduce the cost of fertilizer. It is not necessary to assume that he will cut the price in two. That would be very desirable, but suppose he should only reduce the price by \$5 per ton, that alone would mean a saving to the American farmer of approximately \$35,000,000 in a single year. It is granted that none of us expect Mr. Ford to live 100 years, but should he only live for 10 years more and should effect such a saving for the farmer each year—which estimate of saving is not at all unreasonable, but I think it rather conservative—then during those 10 years he would have saved for the American farmer an amount approximating \$350,000,000—a sum far in excess of

the cost to the Government of the entire project. Naturally, Mr. President, these great savings to the American farmer will be chipped off from the unreasonable profits that the Fertilizer Trust would realize out of the American farmer, and we may expect them to set up a great howl. To turn this proposition over to Henry Ford will be one of the greatest investments the Government could make in behalf of the American farmer.

GUARANTEE TO MAKE FERTILIZERS.

Mr. President, I think there can be no doubt that Mr. Ford has obligated himself to produce a complete fertilizer. The language of paragraph 15, which I have just quoted, clearly obligates him to manufacture it either "mixed or unmixed, and with or without filler, according to demand." I do not see how he could employ any language more definite than that. Then his representative, Mr. Mayo, in his explanations of the Ford offer before the House committee (House hearings, p. 253) declared that he will make a complete fertilizer. I quote as follows:

Mr. MORIN. In the form produced at nitrate plant No. 2, it is not a fertilizer, but is a fertilizer compound; is not that true?

Mr. MAYO. He intends to produce a complete fertilizer.

Mr. MORIN. He intends to produce a complete fertilizer?

Mr. MAYO. Yes, sir.

Mr. MORIN. Would it be sold in this form to the farmer?

Mr. MAYO. Yes, sir.

Mr. MORIN. Could the farmer use it in this form without the addition of the other essential ingredients?

Mr. MAYO. He will be able to use the completed product as it will be furnished from that plant.

Mr. MORIN. As it will be furnished to him?

Mr. MAYO. Yes, sir.

Mr. MORIN. It will not be necessary, then, for the farmer to mix it with the other ingredients in order to market this product through the fertilizer mixers now existing?

Mr. MAYO. Not further than perhaps mixing it with dry earth or sand or something he has right at hand.

Mr. President, it may be contended that Mr. Ford is not obligated by this testimony. It does not make any essential difference whether he is or not. The essential fact is that he is obligated by the terms of his office to "manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, according to demand." This testimony, however, is important in that such intention is emphasized and clarified by his personal representative.

In order to produce mixed complete fertilizers, Mr. President, Mr. Ford would have to manufacture or purchase phosphoric acid and potash. Phosphates are abundant near by, and it has been pointed out by Mr. Mayo (p. 281, House hearings) that the necessary ingredients of fertilizer can be obtained within a radius of 100 miles of the plants; also, Mr. Theodore Swann, president of the Federal Phosphorus Co., of Birmingham, Ala., has shown (House hearings, pp. 432 to 434) how the phosphate rock can be smelted in an electric furnace and phosphoric acid collected for use in the fertilizer industry, and that such a method will reduce the present costs of fertilizer.

Mr. McKELLAR. Mr. President, may I interrupt the Senator long enough to say that there are inexhaustible beds of phosphate rock in southern Tennessee within 100 miles of Muscle Shoals?

Mr. NORRIS. Mr. President, if the Senator will permit me to interrupt there along the same line—

Mr. LADD. Certainly.

Mr. NORRIS. I do not suppose it will be contended that there is not anybody except Mr. Ford who can utilize that great quantity of phosphate.

Mr. McKELLAR. Oh, no; but my contention is that in view of his success in the past in handling machines, if he makes the same kind of success in manufacturing or getting together fertilizers that he made in automobiles he will make it a great success.

Mr. NORRIS. That ought to go to show, and I think does, that anybody—the corporation provided for in this bill that is being condemned, if it is set up, which goes a great deal further than that, or Mr. Ford, or anyone else—will be able to utilize that product, and ought to utilize it, and that it ought to cheapen fertilizer, no matter who does it.

Mr. McKELLAR. We hope so.

Mr. LADD. All of this can be done at Muscle Shoals; and Mr. Ford contemplates experiments along that line, as indicated by section (a) of paragraph 15 of his proposal.

PROFITS LIMITED, HOW?

Mr. President, paragraph 16 of the Ford offer provides the manner of appointment of a board of nine members for the purpose of seeing that fertilizer is manufactured at a profit not to exceed 8 per cent. Here are some of the powers of that board:

The said board shall determine what has been the cost of manufacture and sale of fertilizer products and the price which has been

charged therefor, and, if necessary for the purpose of limiting the annual profit to 8 per cent as aforesaid, shall regulate the price at which said fertilizer may be sold by the company. For these purposes said board shall have access to the books and records of the company at any reasonable time. In order that such fertilizer products may be fairly distributed and economically purchased by farmers and other users thereof, the said board shall determine the equitable territorial distribution of the same and may, in its discretion, make reasonable regulation for the sale of all or a portion of such products by the company to farmers, their agencies, or organizations.

Mr. President, the Government could not devise any method that would better protect the farmers of the Nation in the fertilizer that is to be manufactured at Muscle Shoals than in this method. No man could make a fairer or better proposition than this. I do not see how it can be subjected to misinterpretation. Now, how are the members of this board appointed? The board is to consist of nine voting members and a representative of the Bureau of Markets, who will serve in an advisory capacity. Of these nine voting members only two are to be designated by the company, and the other seven are to be selected by the President of the United States from a list proposed by various representative farm organizations, and the President is to then send these seven selections in to the Senate for confirmation.

WHO WILL DUPLICATE FORD'S OFFER?

It is small wonder, Mr. President, that of all the big interests affected by Muscle Shoals none of them have made the Government a proposition that in any way approached the Ford offer. It was simply too staggering for them. Mr. Ford has offered the Government so much more than any of these big interests who are primarily affected are willing to offer that all they can do is to rear back on their haunches, spout their high-priced wisdom, and protest against the acceptance of the Ford offer. Ah, Mr. President, Henry Ford has been too much for them; he does not play the game according to Hoyle. They know he will succeed, and they know his success at Muscle Shoals means more for the farmer and less for them. All they can do is criticize. If his offer is not the best thing for the people of the United States, why do not some of them propose something that is better? As I have before stated, the burden is not upon Henry Ford to show that his offer is the best thing for the country, but the burden is upon the Ford opponents to produce something better. There has been only one proposition that I have heard anyone contend with any seriousness was better than the Ford offer, and that is the proposition embraced in the bill of the Senator from Nebraska. I think I have very effectually shown, Mr. President, that his measure falls far short—indeed, would be very dangerous.

HOW FERTILIZER MEN VIEW IT.

In fact, Mr. President, I was very much struck by the line of argument employed by the Senator from Nebraska against the Ford offer. It reminds me very much of the objections raised by Mr. Charles H. MacDowell, president of the National Fertilizer Association and president of Armour Fertilizer Works—one of the packer concerns—and other big connections, when he stated that the fertilizer manufacturers were opposed to the Ford offer. He said (House hearings, p. 523):

Mr. HULL. Why are they opposed to the Government accepting the Ford proposition?

Mr. MacDowell. * * * One reason is a public-policy reason, where they think it is questionable public policy to provide facilities and overfacilities at a water power for one man to monopolize for 100 years. They do not think that it is wise public policy to give one man the power to say to a community what kind of industry shall be located in that particular section of the country.

Imagine such benevolent attitude in packer and fertilizer trust councils, if you can.

There has been much objection raised to the 100-year feature of the Ford proposition. One cry is that Henry Ford can not be expected to live for another 100 years, and that his liability ceases upon the formation of his proposed company. In the first place, Mr. President, contemplating the vast expenditure of money that Mr. Ford will have to make in order to carry out his plans of development, he would not be justified in making such a tremendous outlay of money unless he had a longer period than 50 years. Furthermore, Mr. Ford proposes to back up this proposition with his entire wealth. What further evidence of good faith could he give? The very fact that he does not expect to live for another 100 years is evidence of the fact that he is not in this proposition for the purpose of making money. If it offered such tremendous advantages for money-making, you may rest assured that the great capitalistic interests of this country would very soon be in the field with a better offer to the Government. Everyone knows that Henry Ford is in this matter for the purpose of helping the American people; that is why his opposition is so fierce and denunciatory.

FORD'S GUARANTY.

The Senator from Nebraska said (CONGRESSIONAL RECORD for December 7, 1922, p. 175) in referring to Henry Ford:

He is going to organize a corporation with a capital stock of \$10,000,000. It is that corporation and not Henry Ford with which the Government deals. He binds himself, his heirs and executors, to what he has agreed to do in the contract, and that is to organize that corporation. When he organizes it with a capital of \$10,000,000 he has complied with his proposition. He is not liable any further.

I must confess that I can not, however hard I try, construe the language in the Ford offer to mean what the Senator from Nebraska has interpreted it to be. In the first place, Mr. Ford is to organize a corporation "with a capital stock of \$10,000,000 or more, of which at least \$10,000,000 shall be paid in in cash," and it is to be controlled by himself. (Par. 1.)

In the next place, and this is what seems to most concern some of the Ford opponents, Mr. Ford has not "complied with his proposition" when he organizes the company. His liability does not cease there, but his estate—his heirs, representatives, and assigns—is obligated to the terms of his proposal throughout the lease period. Let me direct the attention of the Senate to the language employed in paragraph 20 of the Ford proposal:

Upon acceptance the promises, undertakings, and obligations shall be binding upon the United States, and jointly and severally upon the undersigned, his heirs, representatives, and assigns, and the company, its successors and assigns.

I do not see how more definite language could be employed. This language plainly obligates the estate of Henry Ford just so long as the contract is in existence. It could not let him out upon the organization of the company, as asserted by the Senator from Nebraska; the language expressly states that Ford, his heirs, representatives, and assigns are "jointly and severally" bound. To whom else could the words "jointly and severally" apply? It could not apply to that period of time before the organization of the company, because the company will not have had any legal existence prior to its organization. There would have been no person, no legal entity, with whom he could have been "jointly and severally" obligated. No other construction can be placed upon the language than that Henry Ford and his estate is obligated to the terms of the contract just so long as the lease is in existence. Should Ford not be a man of sufficient business judgment to provide for this liability to the satisfaction of the Government in his will, then his whole estate will be held in abeyance until a proper adjustment is made; unless, of course, the Government should sleep on its rights. Mr. President, the Senator's argument fails.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

The PRESIDING OFFICER (Mr. BROOKHART in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LADD. Certainly.

Mr. NORRIS. The Senator has correctly quoted me when I gave my construction of the contract. I have so often heard the assertion made that the Senator has made now, and I have so often had other people criticize me for making the assertion that the Senator has just quoted, that I have looked into it as carefully as I am capable of examining any instrument; and while I have perfect respect for the Senator's opinion, I am just as confident that my construction is right as I am that I stand here on the floor of the Senate.

The proposition of Ford is, toward the end of it, which the Senator has read, that the signers are bound, and they bind their heirs and assigns. To what does it bind them? To comply with the conditions of the offer. In the offer the only thing that Henry Ford is bound by is that he will organize that corporation; and my contention is that when he has organized it in accordance with the offer he is relieved from personal liability.

I have never advocated that as any great objection to Ford's proposition. Personally, I do not think it is much of an objection. I would not expect Henry Ford to bind his heirs and assigns. If the Senator's construction is right, let me tell him what would follow as a matter of law. It would follow that if, after that contract was made and had been in force for 10 years, Henry Ford should die, his entire estate, every piece of real estate and property that he owns anywhere on earth, would be held in abeyance for 90 years, until the expiration of that entire contract. Do you suppose Ford wants to make that kind of a contract?

I will say frankly to the Senator that I do not think the Government is in danger of losing any money on this proposition, so that I think it is quite immaterial from my viewpoint; but

I do insist that any lawyer who will examine that contract and give the Senator an opinion will agree with me that when Henry Ford organizes the corporation with the paid-in capital required he has complied with the part of that contract that he is personally obligated to perform. Personally, as to what will happen down there, I do not care, because, according to my theory, he is going to get something and his corporation is going to get something that will be so big and so profitable that I do not expect that there will ever be any danger but that the Government could recover in case the contract was violated as it went over the 100 years, because the corporation would be sufficient security.

I will say to the Senator that I do not offer that now, and I never have offered it, as any particular objection to the plan. I have mentioned it because so many people have said, "Why, Ford has bound himself and his estate that he will do so-and-so with fertilizer," when he has not done anything of the kind, if my viewpoint is right. It is the corporation that has done it. He has complied fully with his contract when he has organized it, and if he is a sane man we could not expect him to and he certainly would not bind his estate over a period of a hundred years, much of which must elapse after he is dead, and prevent the settlement of his estate.

Mr. LADD. The Senator may be right or wrong. I am a layman. I am not a lawyer.

Mr. NORRIS. I will say to the Senator that I do not offer it as anything of importance.

Mr. LADD. Two lawyers have told me that my interpretation is correct, but I will make no contention on that particular point.

Mr. President, under his proposal Mr. Ford will lease from the Government—

Dam No. 2, its power house, and all of its hydroelectric and operating appurtenances, except the locks, together with all lands and buildings owned or to be acquired by the United States connected with or adjacent to either end of said dam. (Par. 3 of Ford offer.)

According to the letter of the Secretary of War transmitting the Henry Ford Muscle Shoals offer, dated February 1, 1922—

The total expenditures on Dam No. 2 have been \$16,251,038.14 (p. 3). This dam will be leased by Mr. Ford and will remain the property of the Government. Mr. Ford's company will "pay to the United States during the period of the lease of Dam No. 2, \$35,000 annually in installments quarterly in advance for repairs, maintenance, and operation of Dam No. 2, its gates and locks." (Par. 4 of the Ford offer.)

At all times during the period of the lease of Dam No. 2 the company will furnish to the United States, free of charge, to be delivered at any point on the lock grounds designated by the Chief of Engineers, United States Army, electric power to an amount necessary for the operation of the locks, but not in excess of 200 horsepower. (Par. 5 of the Ford offer.)

The same conditions apply to Dam No. 3, and the company will pay \$20,000 annually, in installments, quarterly in advance, for repairs, maintenance, and operation, and will furnish free power for the operation of the locks. (Pars. 7, 8, and 9 of the Ford offer.) This is yet to be constructed.

Paragraphs 11 and 12 of the Ford offer, which I will insert in the RECORD, set forth the property to be purchased by Mr. Ford. It is difficult to get any accurate estimate of the actual expenditure of the Government on these properties, as they are so interwoven with the properties that will be retained by the Government that it is hard to say with any certainty just what exact portion of the expense went for the property to be leased and just what exact portion went for the property to be purchased. The Secretary of War in his letter transmitting the Ford offer, dated February 1, 1922, gives quite a discussion of this matter.

It seems to be pretty generally admitted, however, that the relative cost of these properties is not fundamental. The other principles involved are the things about which the country is interested. The supreme question is, What is the best thing to do with this property? In what manner will the American people get the most out of it? To date there seems to have been nothing that offers in any way as much as does the Ford offer. I think I have illustrated how the savings Henry Ford could effect in fertilizer alone would soon more than pay for all of the property. These unreasonable profits in fertilizer, which are after all an indirect subsidy, have already cost the American farmer many times the cost of all the Muscle Shoals property.

As I have before stated, the only plant that has been successful in the manufacture of nitrates at Muscle Shoals has been plant No. 2, the cyanamid process. The Haber process at plant No. 1 was not successful, but it is entirely probable that by a reinstallation of machinery there plant No. 1 will be made ready for the manufacture of fertilizers also. However, Mr. Ford is not compelled to follow either the Haber or the cyanamid processes; he may have a method of his own and one that will prove superior to either of the others. We all acknowledge

his genius along the lines of development. If he installs his own method and is enabled to produce cheaper than the present processes then there is that very great possibility that the cost of fertilizer will be cut in two, notwithstanding the fact that there are those who now hoot at the idea. Regardless of the hooting, however, Mr. Ford's representative, Mr. Mayo, expressed the belief that Mr. Ford could produce fertilizer so that "it will not cost more than half." (House hearings, p. 284.) He also stated that Mr. Ford hoped to start producing within a year. (House hearings, p. 257.) I think I have shown that under the Norris plan it is doubtful if there would be any real activity within two years, if then.

The Senator is apparently honestly concerned over the granting of anything that might be a monopoly to a private corporation. In looking over the record, Mr. President, I was astonished to find that the Senator from Nebraska [Mr. NORRIS] was one of the two Republicans that voted for the greatest private monopoly that has ever been granted by any legislative body—that was when he voted for the Federal reserve act, which gave to private banking institutions a complete monopoly over the issuance and control of the money and credits in this great Nation.

Mr. NORRIS. I plead guilty to that charge, and I am not sorry that I voted as I did. I plead guilty to it, and am willing to stay guilty. I did vote for the Federal reserve act, and I think it will result in good if it is administered properly. But the Senator is condemning me now, in his argument on the Ford question, because I voted for the Federal reserve act. I hope he will apply that argument to the Senator from Alabama, and the other Ford supporters in the Senate, and see where he comes out. If I am to be condemned on the Ford proposition because I voted for the Federal reserve act, just let the Senator apply that argument to his colleagues who were in the Senate at that time, and you are aching now to give Ford this great monopoly, and see where he comes out.

Mr. LADD. There has never before been seen such a monopoly. The farmers of this country know the curse that it has proved to them. Since the Federal reserve act was passed in 1914 the farm indebtedness in the United States has increased over 25 per cent, and the farmers are less able to pay off a debt to-day than they were in 1914. Oh, yes; the farmers of this country know what drastic deflation meant to them, when there was wrung from their toil and labor five billions of dollars in value out of a single crop. Oh, yes; the farmers of this great land who have witnessed the foreclosure on their property and the loss of a life's savings know what that has meant to them. I earnestly hope that the Senator will not be deceived about this great Muscle Shoals measure that so vitally affects the farmer.

Mr. President, if we are to save this great project for the people of this land the only plan that has been offered us that promises any hopes of doing it is the Ford offer. Let not the Members of this body be deceived. If we are to do our duty by the great farming interests of this country we must support the Ford offer until such time, if that ever be, that a better proposition for the people is offered us. When that time comes I will most gladly support it. This is not the time to be victimized by "jokers."

Mr. President, I expect in the near future from another angle to present a different view of this great problem and with special reference to the use of fertilizers indicate the direct importance in relation to a successful agriculture and to point out how vital it is that cheap fertilizers be furnished our farmers if we hope to continue to develop our own food supply, to meet the needs of the people of our country even for the present century.

Mr. NORRIS. Mr. President, before the Senator takes his seat, I want to ask him another question. I interrupted the Senator at the beginning of his remarks and asked him to point out where it was in the Ford offer that Mr. Ford proposed to build reservoir dams and storage dams up the Tennessee River, and he said he would take that up later. He has not taken it up, and before he yields the floor I would like to have him read from the Ford offer anything that directly or indirectly binds either Ford or Ford's corporation to build reservoir dams or storage dams up the Tennessee River.

Mr. LADD. Mr. President, when I said I would take that up later, I did not mean to-day. I expect to speak several times on this proposition.

Mr. NORRIS. I desire to ask the Senator another question before he takes his seat. Is there anything in the Ford offer which provides for such storage and reservoir dams?

Mr. LADD. So far as I am aware, there is not anything that binds them; on the other hand—

Mr. NORRIS. Is there anything that does not bind them?

Mr. LADD. Just wait until I am through. On the other hand, he can not develop the industries which he proposes to develop down there, utilize the water power, and get the maximum primary power without so developing it.

Mr. NORRIS. What are those industries? There is nothing in the Ford offer to the effect that he is going to develop any industry. If the Senator's statement is accurate, the Senator has some private information which is not in the contract.

Mr. LADD. I said that if he develops any great industry down there, not any particular industry.

Mr. NORRIS. The Senator can not point out where Ford has made, either directly or indirectly, any proposition that he will ever build a storage dam, or even make a survey to see whether the water can be stored up on the Tennessee River to equalize the flow over the dams that are in question.

Mr. UNDERWOOD. Mr. President, I have listened with much interest to the contribution of the Senator from North Dakota [Mr. LADD] with reference to this important question. I do not intend to take up the time of the Senate to debate the question now. I wish the Senate had been afforded an opportunity to vote directly on Mr. Ford's offer. I do not think it has been fair to Mr. Ford or to the people of the country in that a direct vote has not been taken on Mr. Ford's offer.

It must be borne in mind that the question of the utilization of the Muscle Shoals Dam now rests with the party in power. Two years ago the Senate passed a bill providing that that dam should be operated by the Government, and that proposition was rejected in the other House by the party in power. Then, realizing that something had to be done and that millions should not be wasted by allowing that water to go over the dam with no utilization made of it, the Secretary of War proposed that the matter should be open for those people in the United States who desired to make bids on it. That did not come from the Congress, it did not come from Mr. Ford, it did not come from the men who are supporting Mr. Ford's offer, but it came from the administration itself, and bids were called for from those who would come and finish the dam and operate the nitrate plant at Muscle Shoals.

Not on his own initiative, but in compliance with that request of the Government, Mr. Ford made a proposal. The Secretary of War might have rejected it then if he had wanted to do so, and that would have been the end of it so far as Mr. Ford was concerned, because he could not have gone any further; but the Secretary of War submitted the matter to the Congress.

Congress has no right to amend or alter Mr. Ford's proposition. It is his proposition. Congress is entitled to do only one thing about it—accept it or reject it.

Of course, the proposal Mr. Ford has made has cost him some money. He had to have engineers in order to make his estimates; he had to know what he was going to do; and he made a proposal to the Government, which has been submitted and which has been lying before the Senate for more than a year.

I am in favor of accepting it. Other gentlemen may be in favor of rejecting it and think that some other plan is better, but I do not think that under these circumstances the Senate of the United States has a right to ignore the offer; and that is the situation in which the matter rests to-day.

Mr. HEFLIN. Mr. President, I want to add just a word to what my colleague has said regarding the timely and very able address of the Senator from North Dakota [Mr. LADD].

He has shown the necessity of accepting the Ford offer. He has shown how advantageous it would be to the farmers of America. He has shown that Ford has undertaken to take up a project which had been junked upon the recommendation of the committee on the part of the House of Representatives which visited Muscle Shoals some time ago. He has shown that the Ford offer is now pending, and that Mr. Ford is entitled to have his offer acted upon.

He has made it plain that Henry Ford should not be criticized for offering to do something with Muscle Shoals, because when he found it it had been abandoned, the work had been stopped, the Government property was deteriorating; and when Ford brought the matter back to public attention he rendered a great service to the whole country, whether he ever gets the project or not.

He has pointed out that the Government, by accepting Ford's offer, can do more good with that project for more people than could be done through any other utilization of it. He has shifted the burden to those who support makeshift legislation, to those who stand behind stalking-horses, which are simply being used for the purpose of preventing an acceptance of Ford's offer.

There are a good many people in this country who are opposed to Ford's offer who would lend encouragement to those who

favor the Norris or some other bill, who really would not want to see the Norris bill ever become a law; but when they have a proposition like that pending, they get behind it for the purpose of defeating something which is about to be accepted, and then, when that project is out of the way, they turn their guns upon the other proposition and proceed to shoot it out of the way.

Mr. McKELLAR. Mr. President, in that connection I wish to say that I have received letters from men in Tennessee saying that large numbers of the speeches of the junior Senator from Nebraska [Mr. NORRIS] are being circulated in Tennessee and neighboring States. Of course, I am sure that they are not being circulated by the junior Senator from Nebraska, but they are being circulated by the interests, those particular companies to whose interest it would be to keep Mr. Ford out of this property.

Mr. HEFLIN. That is correct, I think. I was about to say that when these interests succeed in getting the Ford offer rejected and in then defeating the project which they pretended to support while the Ford offer was pending, they will wait a little while and go to the Government and say, "There is Muscle Shoals idle. It ought to be taken and disposed of in some way; and while it is not worth very much, we would pay you something for it." They would do that in the hope of getting it for nothing. They would strangely influence some engineer to go down and make an inspection of it, and come back and report that it ought to be disposed of, and that a certain figure would be reasonable. The Government in the past has been beaten out of millions of dollars in just that way. This is one project that is not going to be disposed of in that fashion.

Mr. McKELLAR. I call the Senator's attention to the fact that the Alabama Power Co. is using Plant No. 2 now in just the way the Senator has pointed out. It does not have to wait for the future; it is being done right now. They are renting the plant at a nominal figure and using it.

Mr. HEFLIN. I understand that is true. I have no objection to Plant No. 2 being used by the Alabama Power Co. while the matter is pending. Of course, I would rather it would be used and the Government get a little something for it than to have it stand idle. But the aim and end of those who are opposing the Ford offer is to defeat the Ford offer and then to put the Norris bill to sleep, and then come to the Government and get the project at Muscle Shoals for a song. I repeat they are not going to do that with this project. The Government has been imposed on many times in the past in that way, but the people are getting wise to it.

Now, with reference to the suggestion of my friend from Tennessee [Mr. McKELLAR] that the speech of the Senator from Nebraska has been broadly circulated, I raised that question in the presence of the Senator from Nebraska the other day, and said that it was being circulated by the thousands and that I did not know who was circulating it, but that the Senator knew. The Senator was sitting here, and he did not say who was circulating it. The Senator from Tennessee suggested that probably some of the interested parties are circulating it. That appears to be the situation. I know something about a situation of that sort. The Federal reserve banks, under the direction of the governor of the Federal Reserve Board, sent out 140,000 copies of a speech against my position on deflation. That cost them between \$7,000 and \$10,000. When outside interests that are being favored by a policy of a governmental institution will circulate the speech of a Senator in that way, it is unfair to the Senator who has made a speech attacking the proposition, because he is not supposed to be able to circulate his speeches on such a large scale, and it does raise a very nice question as to who is circulating this speech attacking the Ford offer.

Mr. President, I merely rose to compliment the Senator from North Dakota upon the splendid presentation he has made to the Senate and the country regarding the Ford offer. He has offered a statesmanlike solution of the problem. I repeat, in conclusion, that he was right when he said that the Ford offer will do things that will bless and benefit more people than in any other way in which Muscle Shoals could be disposed of.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDING OFFICER. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.

Mr. FLETCHER. I submit several amendments to the pending bill, and in order to save printing them separately I have arranged them as one amendment.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Bayard	Glass	McLean	Reed, Pa.
Brandegee	Harris	McNary	Sheppard
Brookhart	Harrison	Moses	Shortridge
Broussard	Hefflin	Nelson	Simmons
Bursum	Johnson	New	Smith
Calder	Jones, N. Mex.	Nicholson	Smoot
Cameron	Jones, Wash.	Norbeck	Spencer
Capper	Kellogg	Norris	Sterling
Caraway	Kendrick	Oddie	Sutherland
Culberson	King	Overman	Townsend
Curtis	Ladd	Page	Trammell
Dial	La Follette	Pepper	Underwood
Dillingham	Lenroot	Pittman	Wadsworth
Ernst	Lodge	Pomerene	Walsh, Mont.
Fletcher	McKellar	Ransdell	Warren
George	McKinley	Reed, Mo.	Williams

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Sixty-four Senators have answered to their names. There is a quorum present.

Mr. HARRISON. Mr. President, I desire to present a unanimous-consent request. I understand we are going to adjourn from Friday until Tuesday. If the program of the Banking and Currency Committee is carried out as stated by the chairman of that committee on the floor yesterday, they will probably make their report the first of next week. I ask unanimous consent that the Senate vote on the Norris motion at not later than 4 o'clock on Wednesday of next week.

The PRESIDING OFFICER. Is there objection?

Mr. JONES of Washington. I want to have it understood, if the request is agreed to, that the Senate will go right on considering the shipping bill. I think it has a right to do it, and to dispose of any amendments to the bill until the bill is displaced, if the motion of the Senator from Nebraska should prevail.

Mr. HARRISON. Do I understand the Senator to say that if a majority of the Senate should vote to take up the Norris bill he would then want to lay aside that bill or any substitute that might be proposed for it and proceed with the ship subsidy bill?

Mr. JONES of Washington. No; the Senator misunderstands me. It was suggested this morning that we could not take up amendments to the shipping bill until the motion of the Senator from Nebraska had been disposed of. This morning when I asked unanimous consent that we fix a time to vote on the Norris motion I suggested that if we did fix a time we could go on dealing with amendments to the shipping bill in the meantime. I think we have a perfect right to do that. I think it is entirely in order. I believe we have a right to consider and dispose of amendments to the shipping bill until it is displaced, if it ever should be, and I wanted to have that clearly understood. I have no objection to fixing a time to vote on the Norris motion, even next Wednesday, but I want the Senate to understand that we are not going to sit still in the meantime, but we are going to proceed with the consideration of the shipping bill.

Mr. HARRISON. I thought perhaps there would be an appropriation bill brought before the Senate to-morrow or the next day, which would take up some of the time of the Senate, and in the meanwhile there would probably be discussion of the Norris motion or the ship subsidy bill.

Mr. JONES of Washington. As long as there is discussion or any other business coming before the Senate, that is all right; but if discussion runs out and there is an opportunity to vote on an amendment to the shipping bill, I expect to have the Senate do that. Let me ask the Senator a question. The Senator did not understand that if his request were granted that would halt all proceedings on the shipping bill, did he?

Mr. HARRISON. I thought, perhaps, we should go ahead and discuss the ship subsidy bill and also discuss the agricultural relief measure, which is known as the Norris bill, as well as other bills.

Mr. JONES of Washington. I understood that that probably would be so, but I did not wish to be foreclosed, if debate stopped, from voting upon amendments to the shipping bill.

Mr. HARRISON. The amendments are so important that I imagine there will be a good deal of discussion on them, but the motion to set aside the ship subsidy bill and to take up the agricultural relief bill is more important than are the amendments, I imagine.

Mr. JONES of Washington. I think that is very true.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Connecticut?

Mr. HARRISON. I yield.

Mr. BRANDEGEE. If the vote on the motion of the Senator from Nebraska [Mr. NORRIS] is to be deferred for a week and is then fixed for a particular hour, in order that Senators may know when to be here and when the motion is to be voted on, would it not be wise to include in the unanimous-consent agreement the statement that any other motion made between now and that time that the Senate proceed to the consideration of another measure should not be in order? In other words, there is a motion pending, made by the Senator from Nebraska, to proceed to the consideration of the agricultural relief bill, if that be its name. If we should agree by unanimous consent to vote on the pending motion at a particular hour it would not follow that the Senator would be precluded from rising in his place to-morrow and moving to proceed to the consideration of some other bill, which would leave the Senator from Washington [Mr. JONES] in exactly as bad a position, so far as deciding the real merits of the question at issue is concerned, as that in which he is left by the motion of the Senator from Nebraska. I think the Senator will understand what I mean.

Mr. HARRISON. Yes; but the chairman of the Committee on Banking and Currency has stated that that committee will not be able to report out the rural credits bill until the first part of next week.

Mr. BRANDEGEE. I understand; but suppose we agree to vote on the motion of the Senator from Nebraska on next Wednesday, a week from now, which motion, if agreed to, would displace the ship subsidy bill, and suppose that to-morrow the Senator from Mississippi should arise and move to proceed to the consideration of some other important measure and a vote should be taken on that motion.

Senators wish to be here when the vote is taken on the motion of the Senator from Nebraska or on any motion to displace the pending measure. That is the object of Senators. Those who are in favor of the shipping bill do not wish it displaced, while those who are in favor of some other measure wish to displace the shipping bill, and it is immaterial to them whether it shall be done by the prevalence of the motion of the Senator from Nebraska or that of any other Senator.

Mr. HARRISON. The Senator from Connecticut is not stating our position in its entirety.

Mr. BRANDEGEE. Oh, no.

Mr. HARRISON. Some of us are in favor of the agricultural credits legislation, and believe it is a great deal more important than is the ship subsidy bill.

Mr. BRANDEGEE. Of course, there may be several bills presented for the relief of agriculture. My point is that the reason for fixing a time for voting on the motion of the Senator from Nebraska is in order that Senators may be here when it is decided whether the Senate will continue to hold the ship subsidy bill before the Senate or not.

Mr. HARRISON. What change would the Senator from Connecticut suggest in the request for unanimous consent?

Mr. BRANDEGEE. I was simply asking the Senator if we are to have a unanimous-consent agreement to vote on the motion of the Senator from Nebraska on next Wednesday at a particular hour that it be coupled with a unanimous-consent agreement that pending the arrival of that time no other motion shall be in order to displace the shipping bill.

Mr. HARRISON. That is perfectly agreeable to me.

Mr. SMOOT. Mr. President, if the unanimous-consent agreement is entered into, then no amendment may be offered to the shipping bill until after next Wednesday at 4 o'clock.

Mr. BRANDEGEE. Oh, yes; it may be.

Mr. SMOOT. No; because the motion will be the pending question. We may discuss the bill until next Wednesday, and we may vote upon the motion at 4 o'clock next Wednesday, but if any Senator should desire to offer an amendment to the bill in the meantime it would be out of order, because there is a motion pending.

Mr. JONES of Washington. Mr. President, while I do not agree with the position of the Senator from Utah in that respect, I am not going to get into any controversy over that. I object to the request.

Mr. HARRISON. Mr. President, of course we are very sorry that we can not reach a unanimous-consent agreement on this question. I thought that, perhaps, the Senator from Washington would be the last Senator to object to entering into a unanimous-consent agreement to vote on the motion. I based that supposition on an item which I read in a newspaper this morning, not stating specifically that the Senator from Washington, who is in charge of the pending legislation, had charged

the Democrats with filibustering but hinting in that direction. I presume he was laying a predicate upon which to make that charge later on.

Mr. JONES of Washington. Mr. President, I wish to say to the Senator from Mississippi that there is nothing that I said to anybody that could be construed as suggesting that the Democrats were filibustering, and if any statement of that kind was made in the newspapers it was made without any foundation whatever.

Mr. HARRISON. I am glad to hear that, because it was so stated in the official organ of the Republican Party published in Washington. I refer to the Washington Post.

Mr. JONES of Washington. I hope the Senator will not charge to me what may be published in any "official organ" of any administration.

Mr. HARRISON. I am very glad to hear that statement. I knew that the Senator knew that it could not be charged that there was any filibuster against the ship subsidy bill, because the Congress has only been in session for some 10 days, and during that time there has been more speed displayed in passing appropriation bills, I dare say, than has been evidenced in the history of the Senate.

Mr. President, I think—and if I am not correct I ask the Senator from Utah to correct me, as he is a member of the powerful Appropriations Committee—we have passed through the Senate at this early stage, during the short session of Congress, three great appropriation bills which ordinarily take months to pass. We have shown so much cooperation, such a spirit of speeding up legislation, that those three great appropriation bills already are out of the way and much wholesome discussion has been had on the floor touching the ship subsidy and agricultural relief bills.

Mr. JONES of Washington. Mr. President—

Mr. HARRISON. I do not know the figures carried in those three great appropriation bills, but they approximate \$180,000,000. The Senator from Washington, being one of the members of that committee, I wish he would tell me what was the sum total of those three appropriation bills which we have passed through the Senate at this early stage of the session?

Mr. JONES of Washington. Mr. President, I rose to say that I indorse heartily what the Senator from Mississippi has said; there is no issue between him and me about that question at all; and I was going to express the hope that we might continue the speed referred to by him by voting right away on the motion of the Senator from Nebraska.

Answering the Senator's question, I will say that the bill for the Department of Commerce carried, in round numbers, \$25,000,000. As to the other two appropriation bills, I am not a member of the subcommittee which considered them, and I do not remember their totals.

Mr. HARRISON. I presume the sum total would be more than \$175,000,000.

Mr. JONES of Washington. I confirm absolutely what the Senator has said, that there has been no filibuster developed on the pending bill on the Democratic side at all; but, with reference to that measure, we have had the heartiest cooperation of the other side, as we have had on the appropriation bills; and I had hoped that cooperation might be continued so that we might be able to get a vote in a very short time on the pending motion.

Mr. HARRISON. I am sure we are going to have that high degree of cooperation to the end. I hope the consideration of the appropriation bills will be speeded up. No doubt there will be another appropriation bill reported out to-morrow, if the Committee on Appropriations shows its usual degree of energy; and if it is reported out, no doubt we can also pass that measure quickly.

The discussion which has proceeded has been wholesome, Mr. President, because it has given to the country a picture of what is presented here as to whether this Congress wants to take up agricultural credit legislation for the farmers or whether it wants to take up a ship subsidy measure for the benefit of the Shipping Trust. The issue is clear; it is well defined. Of course, there are those who are in sympathy with the idea of affording the shipping interests some relief, because, perhaps, those interests did not charge sufficient freight rates during previous years, and perhaps their profit was not great enough, so that it is necessary that immediate legislation be passed to take care of them; and that in the face of the fact that the pending ship subsidy bill was submitted to Congress some eight months ago. As I recall, the Lasker plan was given to the committee about 10 months—

Mr. SMOOT rose.

Mr. HARRISON. And, may I ask the Senator from Utah—inasmuch as he is on his feet, and he can give me the answer—in view of the fact that Mr. Lasker presented this plan 8 or

10 months ago and the bill was introduced that long ago, why so much speed is insisted upon now upon the part of the Senator from Utah and other leaders on his side to force the passage of the ship subsidy bill immediately following the election when his party was repudiated?

Mr. SMOOT. I did not rise to discuss that question, Mr. President.

Mr. HARRISON. That is the question which I should like to have answered.

Mr. SMOOT. I can answer the Senator by saying that, so far as I am concerned—and I speak for no one except myself—I am in favor of the shipping bill. I know that it can not pass unless it is kept before the Senate continuously; and I may say to the Senator that I do not know whether it can be passed even in that way; but by pursuing that course is the only way, probably, in which it can be passed. If I had the bill in charge—which I have not—I would keep it before the Senate, just as the Senator from Washington [Mr. JONES] is undertaking to do, if I could.

Mr. HARRISON. There is not any fault to be found in that respect.

Mr. SMOOT. I was going to ask the Senator, however, whether he favors the so-called Norris agricultural bill?

Mr. HARRISON. If the Senator will abide his time in patience, I am going to analyze the Norris bill and express myself fully about it, as I am on other pending agricultural measures. I am not in favor of that bill, I will say to the Senator, but I am in favor of the farmers of the country having a day in court, and I am not in favor of the Shipping Trust having a monopoly all the time of the few days that the present Congress is to remain in session.

Mr. SMOOT. There is no difference between the Senator and me on that question at all.

Mr. HARRISON. I am glad to hear the Senator say that; we have a convert.

Mr. SMOOT. But I am opposed to the Norris bill just as strongly as is the Senator from Mississippi.

Mr. JONES of Washington. Will the Senator from Mississippi permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. JONES of Washington. I think I will make a statement that may bring some consolation to the Senator from Mississippi. I want to keep the shipping bill before the Senate just as much as possible. I think there is ample time at the present session to pass that measure and also rural credit legislation. The Senator and I have disagreed and do disagree as to the shipping legislation; he may be right and I may be wrong; but I am just as sincere in my view, I think, as is the Senator in his view. I think I am just as anxious also for legislation for the farmer as is the Senator from Mississippi; and I am going to say to the Senator right now that as soon as the rural credit legislation shall come before the Senate the shipping bill will be laid aside for the consideration of the rural credit measure. So the farmers will be taken care of; and, if we have the cooperation which the Senator has indicated we will have, that legislation ought to be passed in three or four days or a week; and then we will resume the consideration of the shipping bill.

Mr. HARRISON. That was exactly why I made the request for unanimous consent. Relying on the statement of the chairman of the Banking and Currency Committee that his committee would report out next Tuesday a rural credit measure, I thought if a majority of the Senate would agree to substitute that measure for the Norris bill there would be no question raised and we would all join hands. If amendments are needed, then we can provide them and make such changes as are necessary. The Senator, however, objected to my request; so we must proceed in this lopsided kind of a way.

Mr. JONES of Washington. The Senator understands, of course, why I objected. The Senator knows that I would be very glad to vote right now on the Norris motion; but there seemed to be a controversy, if I agreed to what the Senator from Mississippi suggested, whether that would stop all proceedings on the shipping bill and we would have a week wasted. I am not willing to be put in that position. I should be perfectly willing to agree to the Senator's proposition if then, as I think we have a right to do, we could go on considering the shipping bill, or any other matter that might be brought up, so far as that is concerned; but if there is going to be a long controversy over a question of procedure I thought we could save time by just going along, and if the vote upon the Norris proposition is kept off until next Tuesday or Wednesday, very well; we are no worse off then than we would be if we should make the agreement.

Mr. HARRISON. I must say that I have a little selfish interest in making the unanimous-consent request. I want to help, so far as I can, the other side of the Chamber out of a very difficult and boggy hole. Here is what some of the Senator's own party say about this proposition. Here we are discussing whether we ought to pass a ship subsidy bill or an agricultural credits bill. I asked the Senator from Utah a question while he was on his feet, but, unlike his ordinary deportment, he evaded it; he did not answer it; so I will ask the question and read from the Record an answer.

Here is what a distinguished member of the Republican Party said in a speech on the floor of the House about the ship subsidy proposition and the policy of passing it during this Congress, when the American people have repudiated practically all Senators and Representatives who even hinted that they were for a ship subsidy bill. I do not know whether or not my friend, the distinguished senior Senator from Utah [Mr. Smoot], expressed himself in his State as to whether he was for this ship subsidy bill. If he, as a part of the leadership of this body, would come back so soon after the election and try to force through here a bill that taxes the American people anywhere from \$700,000,000 to \$875,000,000, I imagine that the Senator did not press it in his State in Utah, because he was in every hamlet and on the stump from one end of Utah to the other appealing to the people of Utah to send here a colleague to grace the other side of the Chamber.

If he made that statement to the people of Utah and took them into his confidence, then they repudiated that statement; and if he did not mention it to the people out there he was not quite frank and open with them, because he knew that the President was going to call this extra session of Congress and try to force this bill at this session through the Senate.

Mr. SMOOT. Mr. President, I never heard it mentioned in the campaign.

Mr. HARRISON. The Senator should have taken them into his confidence. He should have given them his views on this question.

Mr. SMOOT. I know the Senator thinks so.

Mr. HARRISON. Was the Senator afraid that the vote for the Democratic candidate might have been larger if he had taken them into his confidence?

Mr. SMOOT. Not at all. There is not a voter in the State of Utah who does not know where the Senator from Utah stands upon the ship subsidy bill or any other question.

Mr. HARRISON. But the Senator did not tell them on the stump that he was for it.

Mr. SMOOT. It was not a question in the campaign.

Mr. HARRISON. Does not the Senator think that if the President was going to force it through here in so short a time following the election, those Republicans as well as Democrats who ran in that election should have been candid with the people and told them how they stood on it, so that the American people might have passed on it?

Mr. SMOOT. There is no question but that the people of Utah knew where the Senator from Utah stood.

Mr. HARRISON. But the Senator said he did not take them into his confidence.

Mr. SMOOT. No; it was not a question in the campaign at all.

Mr. HARRISON. But they did not know until after the election that the Senator was for it.

Mr. SMOOT. Oh, yes, they did, Mr. President.

Mr. HARRISON. It will be hard on the Senator the next time he comes up, then.

Mr. SMOOT. I am perfectly willing to take my chances on that. I have not asked anybody to make any excuse for any position that I have ever taken in the Senate.

Mr. HARRISON. Of course, what applies to the Senator applies to other Senators; but this colloquy is not personal. It just shows that you are trying to put over something here when you failed to take the people into your confidence before the election; and it shows that this matter should wait until the new Congress comes in, and let the proposition be handled by those Senators and Representatives who are fresh from the people. That so objectionable a piece of legislation should be foisted upon them by a repudiated and defeated Congress—

Mr. STERLING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota?

Mr. HARRISON. I yield to the Senator.

Mr. STERLING. I am prompted to ask the Senator a question. In what State or States, or in what congressional districts, was the ship subsidy bill an issue during the recent campaign?

Mr. HARRISON. I will say to the Senator that I am going to read here in a moment the testimony of some witnesses from the Senator's own party to show that a great many of the members of the House Merchant Marine Committee who voted to report out the bill were defeated and left at home. I will say further to the Senator that I do not know just how many States some of us spoke in. I spoke in a good many, and I never made a single speech in which I did not denounce the ship subsidy bill, and I dare say that the Senator never indorsed the ship subsidy bill in any speech that he made in that campaign. If Senators and representatives of the Senators failed to take a position on this question in the campaign, knowing that it would come up, then they deserve the condemnation of their constituents.

Mr. STERLING. That may be; but the fact that the Senator from Mississippi denounced it does not necessarily show that it was an issue in that State in that campaign.

Mr. HARRISON. Oh, Mr. President, that is the great trouble about the Republican Party. They repudiate promises; they betray the trust reposed in them, and they do not take the American people into their confidence as they should. The statement of the Senator from South Dakota and the statement of the Senator from Utah bear me out in that assertion.

Here is what a distinguished Republican Congressman said in talking about this procedure on the floor of the House:

My friends, I am a Republican—

He was proud of that, ordinarily. I imagine he was sorry at this time.

Mr. CARAWAY. Mr. President, will the Senator yield a minute?

Mr. HARRISON. I yield to the Senator from Arkansas.

Mr. CARAWAY. Was the gentleman bragging or confessing?

Mr. HARRISON. He was confessing, and very properly so. I read further from him—

and I have seen all I wish to see of a Democratic administration. I should like to see the good old ship of state steered by Republicans. But when as now my party leaders—and I believe many of them against their own best judgment—steer the ship of state in a wrong course, when my heart and convictions and conscience rebel against some such legislative measure, as this subsidy bill before us now, then, as frequently in the past, I can not go with them. I must resort for a time to a lifeboat or a plank. Self-preservation is the first law of life. You watch Republicans jump for the planks. You watch the Republican whip jump.

He was not talking about the Republican whip here. He was speaking of the Republican whip of the House.

Further, he says:

You watch the chairman of the conference jump. You watch many a Republican save himself before we get through with this bill.

That was pretty good advice.

I have had to go through this experience very often. I happen to be one of the older Members of this House. I remember when these subsidy bills were up before, when Hanna and Gallinger had started them, and when "Uncle Joe," in his prime and vigor, backed by leaders like Payne and Dalzell, together with my distinguished friend from Massachusetts [Mr. GREENE], were pushing this subsidy privilege.

And he said they defeated it by a vote of 172 to 175. Then he said:

Let me say to my good Republican associates here—

And he was talking about you, just the same as his Republican associates over in the House—

Let me say to my good Republican associates here who would vote right, the rank and file of the Republicans are out on the farms and in the factories. They are not these leaders nor these ship-owners.

Listen to this wise sage:

If we are going to hold our party, we have got to go to the masses and not look to the ship profiteers. Every man knows it. If you will look out and see the angry waves of discontent, you know that I am speaking the truth.

That speech was made by a Republican, and I am glad we are getting some more Senators in here so that they can hear it. I wish every Republican seat were now occupied, because I want to save you from your own iniquities.

Have you read the election returns?

You know that is an interesting question that he propounded to you.

Did you see the men elected who ran on antiship subsidy platforms? I ran on one. It was a platform denouncing this bill, and I won overwhelmingly. Those who did favor it went down to defeat. Have you noticed the fatalities? Thirty-five per cent of the vacancies on the Republican side of this Merchant Marine Committee!

Thirty-five per cent went down in that catastrophe.

They prepared this bill; I presume they told their constituents all about their arduous labors for a subsidized merchant marine. Five out of fourteen defeated.

I have not looked over the figures to see how many of the Commerce Committee of the Senate went down in defeat. I know that a pretty large percentage of the Republican members of the Finance Committee were defeated because they reported out and advocated the tariff bill and the revenue measure.

That is not all. That is one distinguished Republican that I read from. Here is another:

Let me say before I go further that I believe that Pennsylvania, the old Keystone State, would have failed to return my good friend—

Talking about Mr. EDMONDS—
of whom I think so much, if this proposal had occurred before election—

This is a Republican speaking—

because we lost New York, we lost Maryland, we lost New Jersey, we lost so many States of the country, just due to bills of this character, and this is worse than anything I have ever seen in all my experience here as a Member.

He could have gone further. He could have said, "We lost Delaware"; he could have said, "We lost Rhode Island"; he could have said, "We lost Senator Moses's State of New Hampshire"; he could have said, "We lost Ohio; we lost Michigan"; he could have said, "We lost Indiana"; he could have said, "We lost Kansas, the Republican whip's State"; he could have said, "We lost Colorado"; he could have said, "We lost the leader of the Republican Party in the House of Representatives, FRANK MONDELL"; and the people of Wyoming reelected that splendid Senator, the former governor of that State, to the Senate. He could have said, "We lost Montana; we lost Nebraska; we lost Oregon; we lost Washington; we lost Nevada; we lost Arizona; we lost New Mexico; we lost Oklahoma." Oh, well, they lost about everything in that election; and yet, because of that fact, the President comes here and tells the Republican leadership to drive through this infamous measure that will add to the burdens of the American taxpayer before the new Congress can come into control.

I do not blame you for looking sad. I do not blame you because your morale is broken. I do not blame you for your lines being divided. It is a sad picture you present to us who are your friends, and God knows how you look to the American people.

Mr. CARAWAY. May I interrupt the Senator?

Mr. HARRISON. Certainly.

Mr. CARAWAY. The Senator from Mississippi said he did not know what the effect had been on the Committee on Commerce of the Senate. There were only two Senators on the Republican side of the Commerce Committee who were up for reelection, and neither of them will be with us in the next Congress.

Mr. HARRISON. See there! Yet you persist in driving this legislative monstrosity through the Senate, neglecting the farmers of the country, and there was talk yesterday about filing a motion to table the Norris motion to proceed with the consideration of a bill for agricultural relief. You want to go so far even as to shut off discussion of the matter, strangle debate, close our mouths.

But I have not finished reading all that this distinguished Republican Congressman said. I want to proceed further. He said:

I realize that you are putting these hundreds of millions of dollars into the pockets of a few favored monopolies and that you could not go before the country for a moment with your proposition, and you dare not let it go for three months until the new Congress meets.

That is what is in the heart of some Republican. Yet you are trying to drive through this Congress this bill in a kind of stranglehold fashion. Said this Republican:

You know it and so do I, and I do not believe it will stand the ghost of a chance of getting through the Senate.

I hope he is right.

But I do not want my good friends here, on the Republican side, whom I have tried to persuade to stay in the straight and narrow path in the past—I do not want them to fall down at this time, because I want them, all of them, to be here two years from now.

They will not be there if they vote for such propositions as this. He said further:

Why was the bill not brought up before election?

I put the same question to my friend the Senator from Utah while he was on his feet and he has not answered me yet, and to show that it is a fair question a Republican Congressman puts the same question to him and puts it to other Republican Senators. He said:

It is an indictment of the whole proposition to try to jam it through this expiring Congress when a certainty exists it would be overwhelmingly defeated if presented four months hence to the new Congress coming fresh from the people.

There is the indictment. A few years ago, when the Senate considered for quite a while—and certainly most carefully—the Jones bill, we thought that would surely result in the main-

tenance of our merchant marine. At that time we believed that the distinguished Senator from Washington, now in charge of this bill, had evolved a plan and constructed a bill which would make the merchant marine a success in the future. That is why we supported the Jones bill; and at that time, sitting in the Chamber, was a very distinguished Republican. Those were his views. He sealed the fact by a vote for the bill, and that distinguished Republican is now none other than the President of the United States, who admits, by coming to the Congress and pressing forward this legislation, that he was not so wise, that he was mistaken, when, two years or more ago, he championed the Jones bill and voted for it and helped to enact it into law.

What changes have come about that should change the situation? One is that we have Lasker as the head of the Shipping Board, the wise man of shipping, who knows everything about advertising but before he took charge of this board knew nothing about shipping.

I notice he has taken my good friend from Kansas [Mr. CAPPER] to task because the junior Senator from Kansas saw fit to write some editorials in his papers out in the Middle West against the ship subsidy bill and told the truth about it, namely, that it would allow the Shipping Board to lend to these men and these interests, be they the Standard Oil, the United Fruit Co., or the Steel Corporation, money to buy these ships at low interest rates. He said it would enable the board to lend to them \$125,000,000 at 2 per cent interest. Simply because the Senator from Kansas said that this would cost the Government approximately \$750,000,000 for the next 10 years Lasker has a nightmare, goes into the press, and gives out a statement criticizing the Senator from Kansas, saying, "Oh, the information he got is from Democratic sources and therefore it can not be correct."

Lasker himself said in the testimony that it would cost the Government \$52,000,000 a year in subsidies to operate this proposition. He admits and the Senator from Washington admits that it will enable the board to lend \$125,000,000 at a low rate of interest to the men who purchase the ships, and in his testimony before the committee Lasker stated that the merchant marine was worthless, that you could not get anything for it, that although it cost three billion dollars or more they would hardly be able to get \$200,000,000 for it. Yet he takes the Senator from Kansas to task. The Senator from Kansas is performing a great service to the American people in exposing the iniquities of this bill; and I dare say that, big and powerful and influential as Lasker is, he can not browbeat the distinguished Senator from Kansas and cause him to close his mouth or cease his writing in condemnation of this nefarious measure.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Tennessee?

Mr. HARRISON. I yield.

Mr. McKELLAR. In that connection I call attention to the fact that this bill sets apart 10 per cent of all the customs duties, which, according to the statements made by those in charge of the recently passed tariff bill, will amount to \$45,000,000 a year, and, in addition, the tonnage dues, amounting to \$4,000,000 a year, making \$49,000,000 which they actually set apart to pay these subsidies.

Mr. JONES of Washington. Mr. President, will the Senator from Mississippi permit?

Mr. HARRISON. I yield.

Mr. JONES of Washington. The Senator will have to concede that the Commerce Committee has recommended an amendment to this bill limiting the amount which can be spent in any year as compensation for these ships to \$30,000,000. It is plain language. Senators may argue as they see fit, but that is what the committee recommends.

Mr. McKELLAR. That is not what the House passed, and, of course, it can be stricken out very easily in conference. What you do is to set apart \$49,000,000 of the people's money to pay this subsidy.

Mr. HARRISON. Of course, the Senator from Washington recognizes the fact that I was merely answering Lasker's statement in condemning my friend, the Senator from Kansas [Mr. CAPPER]. When some Republican goes out to condemn another Republican, it looks as if no Republican dares open his mouth in defense of the other Republican. So I have found that about half of my time on the floor is spent in defending Republicans.

Mr. CARAWAY. Mr. President, the Senator from Washington certainly does not mean to say that \$30,000,000 is all that might be expended under this bill. That amendment has been offered merely to provide some people a life line to climb down

on. There is no amendment providing that a contract shall be declared void if the expense runs to \$50,000,000, if they simply thought it would not be more than \$30,000,000.

Mr. HARRISON. I do not want to be mistaken about this measure, and I do not want to take up the time of the Senate unnecessarily. I do not want the Senator from Washington to think, when I propound a question to him, that I am just trying to consume time.

Mr. JONES of Washington. That never entered my mind.

Mr. HARRISON. I am trying to get information. I say that because I am going to ask the Senator some questions now. As I understand it, the Standard Oil Co., with its tankers, or any ships they may own, will come under the provisions of this bill, just the same as any person who might buy ships from the Shipping Board or might operate ships.

Mr. JONES of Washington. The companies operating ships for the carrying of their own products get no subsidy, according to the bill as it passed the House.

Mr. HARRISON. I want the Senator to explain to me one thing, briefly, if he will. The original bill, the one presented by Lasker, which the President asked the Congress to pass, and which was submitted to the House of Representatives, did it not include the provision for pay to the Standard Oil Co. if it had tankers?

Mr. JONES of Washington. It did.

Mr. HARRISON. Or the United States Steel Corporation if it operated ships?

Mr. JONES of Washington. It did.

Mr. HARRISON. Or the United Fruit Co. if it operated ships?

Mr. JONES of Washington. It did.

Mr. HARRISON. They would not only get the advantages of the indirect subsidy, but would get the direct subsidy, would they not?

Mr. JONES of Washington. They were put on the basis of any person owning ships.

Mr. HARRISON. If the Standard Oil Co. was bringing some oil from Mexico to New York in its own tankers, the ships loaded exclusively with its own products, under the original draft of the bill what benefit would they receive? In other words, I would like to have the Senator illustrate the difference between the original bill and the bill as it is before the Senate, so far as the Standard Oil Co. in bringing its own products in its own tankers from Mexico to New York is concerned.

Mr. JONES of Washington. I do not seek to conceal anything with reference to this.

Mr. HARRISON. The Senator never does conceal facts with reference to a measure of which he is in charge.

Mr. JONES of Washington. It is just as the Senator has suggested; under the original bill, as it was first introduced, Standard Oil ships, or United Fruit Co. ships, in fact, all ships under the American flag, would be on the same basis. The House excluded from the benefits of the subsidy features of the bill ships carrying products of the owners of those ships.

Mr. HARRISON. What position was taken by the committee of which the Senator is chairman?

Mr. JONES of Washington. We did not interfere with that provision of the House.

Mr. HARRISON. The committee did not accept Lasker's proposal, in other words, to that extent?

Mr. JONES of Washington. No; we did not. We went further, and in that part of the bill authorizing a loan fund of \$125,000,000 we inserted an amendment providing that none of that money should be loaned to companies for the construction of ships to carry their own products.

Mr. HARRISON. Did the committee raise the rate of interest, or was it raised in the House, from 2 per cent to 4½ or 4 per cent?

Mr. JONES of Washington. That was raised in the House.

Mr. HARRISON. The original draft carried only 2 per cent?

Mr. JONES of Washington. It provided not less than 2 per cent.

Mr. HARRISON. I thank the Senator. I did not know why the chairman of the Shipping Board, an expert in advertising, wanted to give all those favors to the Standard Oil Co., the United Fruit Co., or the Steel Corporation. This may sound hard to some of you, but we are trying to let everything out and keep no secret. Far be it from me to suggest that Mr. Lasker's recommendation was because in the recent campaign Mr. Rockefeller—a poor fellow, of course, who needs the sympathy of everybody—in the last report filed by the chairman of the Republican National Campaign Committee was shown to be one of the largest contributors to the Republican Party, hav-

ing given \$25,000. His son, John D., jr., was quite lavish in his donation. I think he gave \$25,000. Of course that was the amount the chairman stated that these gentlemen had given. He did not say how much more they had given that was not shown in the report. Consequently we must accept the statement that only \$50,000 was given by father and son Rockefeller to the Republican campaign fund in the last election. And here Mr. Lasker, head of the Shipping Board, writes a bill, in frequent conference with the President, which receives the indorsement of the President, which is sought to be passed through the Congress under whip and spur of Executive influence, that gives to the Standard Oil Co. greater privileges than would be enjoyed by any other person and few other corporations under the provisions of the bill.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. HARRISON. Certainly.

Mr. CARAWAY. Inasmuch as the bill as it was then written and reported out in the House contained this benefit to them, does not the Senator think the Republican Party ought to pay back their campaign contributions if they are going to amend the bill and cut out those benefits?

Mr. HARRISON. Yes; they should be fair with them, because the Rockefellers, John D., jr., and John D., sr., had every reason to believe when they made the donation of \$50,000 that they were going to be taken care of.

Mr. CALDER. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from New York?

Mr. HARRISON. Certainly.

Mr. CALDER. I wish simply to correct the Senator in regard to the elder Rockefeller. In testimony submitted to the Committee on Manufactures recently, it was called to my attention this morning that it had been stated that the elder Rockefeller is not now a stockholder in the Standard Oil Co. So that he ought not to get his money back.

Mr. HARRISON. Does the Senator believe that?

Mr. CALDER. The statement was made by the president of the company, and he is a truthful man. He said that the younger Rockefeller was a large stockholder and the elder Rockefeller was not a stockholder, and I believe that the gentleman who made the statement told the truth.

Mr. HARRISON. Does the Senator believe that John D., sr., has no interest in the Standard Oil Co.?

Mr. CALDER. I repeat merely what the president of the company said.

Mr. HARRISON. I do not mean financial interest alone. I mean sympathy for the poor little thing.

Mr. CALDER. I repeat that the gentleman testified that young Rockefeller was a large stockholder, but his father had no interest in the company. I believe that is true, because the man who stated it is a truthful man.

Mr. HARRISON. But the Senator does not believe that it is fair, after John D., jr.—I will leave out John D., sr.—the man who owns the largest interest in the Standard Oil Co., gave this \$25,000, and the House had passed this liberal provision that would treat him fairly, indeed, that now the Senate, through the Senator from New York and his friends, should go back on any promise made?

Mr. CALDER. The Senator again is misstating the fact; unwittingly, I am sure.

Mr. HARRISON. Oh, certainly.

Mr. CALDER. The House did not pass the bill with a provision in it to take care of the Standard Oil Co.

Mr. HARRISON. The House committee reported it out containing that provision.

Mr. CALDER. The House refused to keep that provision in the bill.

Mr. HARRISON. I know the Senator does not want to be technical.

Mr. CALDER. But the point I want to make is—

Mr. HARRISON. The Senator has not answered my question.

Mr. CALDER. The point I make is that Mr. Rockefeller, sr., at least, is not entitled to have his money back if, as the Senator intimates, he may have contributed, because the Standard Oil Co. was being taken care of in the shipping bill.

Mr. HARRISON. I have eliminated John D., sr.; I am talking about John D., jr., now.

Mr. CALDER. I am quite sure that John D. Rockefeller, jr., who is a great philanthropist and is also a good Republican, contributed his part of the fund with no expectation of any help or assistance from anybody. He is too high type of man for that, and the Senator ought to know it.

Mr. HARRISON. He is a constituent of the Senator?

Mr. CALDER. Yes; he lives in my State, and is a very distinguished citizen, a splendid man, a very high-minded Christian gentleman, and when he contributes to the funds of the Republican Party he contributes like he does to many other good purposes, for the good of the country.

Mr. HARRISON. The Senator does not think that favoritism by legislation should be shown to John D. Rockefeller, jr., does he?

Mr. CALDER. Of course not.

Mr. HARRISON. Merely because he has these exceptional qualities?

Mr. CALDER. Of course not.

Mr. HARRISON. The Senator was not in sympathy with what the House committee did when it reported out the bill containing that special provision?

Mr. CALDER. Of course not. I am entirely in sympathy with that provision of the bill which eliminates from any benefits all companies which carry their own goods exclusively.

Mr. HARRISON. The Senator, then, was not in sympathy with Lasker's suggestion that it should be done?

Mr. CALDER. I do not know who made the suggestion or if he prepared the bill. I am not in sympathy with that particular provision.

Mr. HARRISON. If the President indorsed it, the Senator is then out of sympathy with the President on that proposition?

Mr. CALDER. I doubt very much if the President knew it would affect that particular interest. I am sure that he did not know it.

Mr. McKELLAR. Surely he read the bill before he recommended it to the Congress.

Mr. HARRISON. The best excuse the Senator can offer is ignorance on the subject, and we will all accept that excuse.

Mr. CALDER. Oh, no; I do not offer that reason at all.

Mr. HARRISON. Did the gentleman who appeared before the committee this morning say when John D., sr., got out of the Standard Oil Co?

Mr. CALDER. I was not present at the committee meeting. I was informed by a Senator who was present, and a newspaper carried the story. His testimony was given about a week ago.

Mr. HARRISON. But he did not say when John D., sr., got out?

Mr. CALDER. I did not see that statement made.

Mr. HARRISON. He may have gotten out after he learned that the Committee on Commerce had repudiated what the House Committee on Merchant Marine and Fisheries had endeavored to do for him—in other words, had taken away from him the favoring provisions that had been granted to him or his company in the original draft and by the action of the House committee?

Mr. CALDER. My recollection is that the statement was made that he had had no interest in the company for the past two years.

Mr. KING. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. Certainly.

Mr. KING. May I inquire of the Senator from New York, with the permission of the Senator having the floor, if he means to state that John D. Rockefeller, sr., has no interest either in the Standard Oil Co. or any of its multitude of subsidiary organizations?

Mr. CALDER. I simply repeated the statement made by the president of the Standard Oil Co. before the Committee on Manufactures. In that statement it was set forth that for the past two years—I think I am correct in the time—the elder Rockefeller had had no financial interest in the Standard Oil Co. of New Jersey.

Mr. KING. The Senator knows that the Standard Oil Co. of New Jersey, the parent organization, has a multitude of subsidiary organizations, and that the parent organization now is of less consequence than many of the children which have sprung from it.

Mr. CALDER. My information is that the Standard Oil Co. of New Jersey is by far the most important, the most wealthy, and the most influential of them all.

Mr. KING. The Senator knows that the Standard Oil Co. of New Jersey, the parent company, owns the Standard Oil Co. of Indiana and a multitude of other companies, pipe-line companies, prospecting companies, and other organizations engaged in the development of the oil industry. Does the Senator mean to state that John D. Rockefeller, sr., is not interested in any of those great organizations?

Mr. CALDER. Of course, I have no knowledge of that. I have no knowledge of the ramifications of Mr. Rockefeller's interests. I simply repeated the statement made by the president of the company before the Senate Committee on Manufactures.

Mr. KING. I think the Senator will discover that Mr. Rockefeller's holdings in oil companies—I do not care by what name they may be labeled—exceed \$350,000,000, according to the par value of the stock.

Mr. HARRISON. As I understand the Senator from New York, he had some friend who appeared before the committee who said that John D., sr., had no interest in the Standard Oil Co. of New Jersey.

Mr. CALDER. The Senator from Mississippi is putting words in my mouth. I did not say I had a friend who appeared before the committee. I said that the president of the Standard Oil Co. of New Jersey had appeared before the committee and made the statement.

Mr. HARRISON. He made the statement that John D., sr., had no interest in the Standard Oil Co. of New Jersey?

Mr. CALDER. Yes; but that his son, John D., jr., was a large stockholder.

Mr. HARRISON. And, of course, we assume and the Senator, I imagine, assumes that John D. Rockefeller, sr., still has a holding in the Standard Oil Co. of Indiana, the Standard Oil Co. of Ohio, and the many other subsidiary companies?

Mr. CALDER. I assume nothing of the sort. I know nothing about it.

Mr. HARRISON. The Senator does not know? The only assurance he has is that some person has stated before a committee that John D., sr., has no interest now in the Standard Oil Co. of New Jersey.

Mr. CALDER. No. I do not know anything about it.

Mr. HARRISON. The Standard Oil Co. of Ohio or of Indiana or of some other State may have tankers and operate tankers in the trade. The Standard Oil Co. of New Jersey is not the only Standard Oil Co. that owns and operates tankers carrying their product to and fro over the seas, is it?

Mr. CALDER. I am not sure of that, of course, but I am under the impression, from information I have obtained from time to time, that the Standard Oil Co. of New Jersey are by far the largest owners of oil tankers. I have not exact information, but that is the information that comes to me in a general way. There may be other oil companies that own tankers.

Mr. HARRISON. Of course, what I thought when the Senator first rose was that he had some information that John D., sr., did not give the \$25,000 contribution which the Republican chairman reported in his statement; but the Senator, of course, I imagine, will agree that the chairman of the Republican committee would tell the truth about it, or about anything, and that that was all right.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. HARRISON. Certainly.

Mr. CARAWAY. If I understood the Senator from New York correctly, he said that the Standard Oil Co. of New Jersey had been operating most of the tankers. I presume that was suggested to him because they recently declared a 400 per cent stock dividend, and that might also suggest to him that they were the owners of the ships.

Mr. HARRISON. Mr. President, coming back to the proposition that the ship subsidy bill should await the new Congress recently elected by the people, I want to read what the Republican campaign textbook, in the Republican platform, said with respect to the merchant marine. At no place in it does it hint or suggest subsidy. On the contrary it indorses the Jones Act which was passed here by a Republican Congress to maintain the merchant marine and to which the President of the United States gave his earnest support and for which he voted and which carried no subsidy. Here is what the platform said:

We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.

There is an indorsement of the Jones Act. The American people in that election had a right to rely on the fact that you were through with legislation affecting the merchant marine, and they had no thought that you would come here and want to place additional taxes on the American people to the extent of \$875,000,000 to give to the Shipping Trust. Yet that is what is sought in the pending bill.

Mr. President, getting back to the motion of the Senator from Nebraska to take up the agricultural credits legislation and sidetrack, so to speak, the ship subsidy bill, presenting an issue to this body whether the Shipping Trust needs our help more and to a greater extent than the farmers of the country, I want to refresh the memories of Senators that a year and a half or more ago this body and the House of Representatives passed a joint resolution providing for an agricultural inquiry and a commission was appointed to look into agricultural conditions, in an endeavor to solve the problem, and to make their recommendations touching legislation and otherwise, that might

promote the interests of the agricultural classes. That commission worked faithfully for months. It made many suggestions. It made, in my opinion, many wise recommendations.

Up until this good hour, although those recommendations were made six or eight months ago, this Congress has dillydallied with the tariff and dillydallied with revenue legislation and talked about the ship subsidy and the antilynching bill and the Liberian loan until we have wasted the time, and we have passed none of the legislation that might have benefited the farmers of the country. And yet when the proposal is made and the sentiment of the country is crystallized for agricultural credits legislation we have it thrown at us that there is a filibuster on. Filibuster! Why? Because we are trying to point out to you that the next Congress is the Congress to take up and solve the ship subsidy question, and that this Congress is the one to take up agricultural credits legislation and enact it speedily, so that if relief is to come to the farmers of the country it may be given to them at the earliest possible moment.

Mr. President, in the summary of the recommendations of the Joint Commission of Agricultural Inquiry we find the following:

(1) That the Federal Government affirmatively legalize the cooperative combination of farmers for the purpose of marketing, grading, sorting, processing, or distributing their products.

(3) That there should be a warehousing system which will provide a uniform liability on the part of the warehousemen and in which the moral and financial hazards are fully insured.

(4) The commission believes that an immediate reduction of freight rates on farm products is absolutely necessary to a renewal of normal agricultural operations and prosperity, and recommends prompt action by the railroads and constituted public authority to that end.

Is there anything that is burdening the farmers of the Middle West and the far western sections more than the high freight rates which are charged by railroads? Is it not a question of such moment and importance that this Congress should turn its attention to it and let the ship subsidy bill, which will cost the American people so much, slide away until the next Congress begins its session? Which does the American people believe more important—subsidy legislation or a reduction of freight rates by the railroads, especially on agricultural products? Which legislation would be more welcome to the farmers of the West and South? To ask the question is to answer it; and yet this Congress, under its wise leadership, allows itself to waste precious moments in talking about subsidizing the Shipping Trust and permits the farmers of the great Middle West, of the South, and every other part of the country to continue to pay high and unreasonable freight rates in order that they may ship their products from the farm to the consumer.

The commission made other recommendations. It recommended furthermore—

(5) That there should be an extension of the statistical divisions of the Department of Agriculture, particularly along the line of procurement of live-stock statistics.

I hope that the Agricultural Department is working toward that end; but I do not know.

(6) That provision should be made by Congress for agricultural attaches in the principal foreign countries producing and consuming agricultural products.

We passed a bill the other day carrying an appropriation of over \$100,000 for consular agents and commercial attaches in foreign countries to study trade conditions, to study commerce, and to report back to the Department of Commerce. We have recommended that agricultural attaches should be appointed in those countries in order that they might study agricultural conditions there and report them back and let the farmers learn by first-hand information the condition of crops and of markets throughout those countries and throughout the world.

The commission also recommends—

(7) The development by trade associations and by State and Federal sanction of more accurate, uniform, and practical grades of agricultural products and standards of containers for the same.

Nothing has been done along that line.

(8) That adequate Federal appropriations should be made for the promotion of better book and record keeping of the cost of production of farm products on the basis of the farm-plant unit as a basis for the development of more efficient methods of farm management.

It is to be hoped that in the consideration of the Agricultural appropriation bill at this session some of these recommendations, at least, will be taken up and acted upon, and that some law may be enacted to carry out the recommendations of this commission.

(10) More adequate wholesale terminal facilities, particularly for handling perishables at primary markets, and a more thorough organization of the agencies and facilities of distribution of the large consuming centers of the country.

(11) The development of better roads to local markets, joint facilities at terminals connecting rail, water, and motor transport systems, and more adequate facilities at shipping points, with a view to reducing the cost of marketing and distribution.

(12) That greater effort be directed to the improvement of community life.

Here is a recommendation which is more important than all the others; one that cries out from every farm home throughout the country; one to which no Senator can turn a deaf ear. It is:

(2) That the farmer's requirements for credit corresponding to his turnover and having maturity of from six months to three years, which will enable payment to be made from the proceeds of the farm, be met by an adaptation of the present banking system of the country which will enable it to furnish credit of this character. It is expected that a concrete proposal to carry out this recommendation will be made in part 2 of this report.

That was one of the recommendations which the commission, after weeks and months of earnest work and endeavor, unanimously agreed upon; that the agricultural credit system as to-day constituted does not meet the demands nor the needs of the farmers of the country. So we drafted a bill to cover the matter. That bill did not meet my ideas in every particular; I suppose it met the ideas of no member of the commission in every particular; but we agreed to it because it was the best plan upon which all parties to the commission could agree. I am for that bill, with amendments, until a better plan can be suggested by some one else. But after the commission, following weeks of labor, recommended this important legislation for the farmers, who are to-day more distressed than ever before in their history, we are confronted by a situation which is most glaringly and correctly illustrated by one statement made by the expert of the commission. He was a splendid expert; I dare say that if we had combed the whole country we could not have procured one more faithful to the trust imposed than Doctor King. He found and the commission found, according to all the statistics they gathered, that—

Measured in terms of purchasing power, the farmer's dollar in 1920 was worth only 89 cents.

We might consider the purchasing power at that time of the banker's dollar, the purchasing power of the dollar of the owners of the great steamship lines of the country, the purchasing power of the United Fruit Co., of the United States Steel Corporation, of the Standard Oil Co., of commercial houses, mercantile establishments, and manufacturing plants, and find that the purchasing power of their dollar at that time was much greater than that of the farmer; in fact, was so much greater that it could hardly be compared to the purchasing power of 89 cents on the dollar, as shown for the farmer in that year.

In May, 1921, the purchasing power of the farmer's dollar—which amounted to 89 cents in 1920—had depreciated until it was only 77 cents; and during the months since then the purchasing power of the farmer's dollar has gone still lower, as my good friend the junior Senator from Iowa [Mr. BROOKHART] will attest, because at the time when the purchasing power of the farmer's dollar was but 77 cents his corn was selling at a higher price than that for which it sold a few months ago or for which it sells to-day. The same statement applies to wheat and other commodities which he raises. Why, sirs, the average income received by a farmer for his labor in 1909 was only \$311. In 1918 it was \$1,278, and in 1920 it was only \$219, and to-day in many sections it is less. The average income of a person in every other business or trade is greatly in excess of the farmer. In many sections of the country distress, discontent, and unhappiness are staring the American farmer in the face; privation and starvation hover over many an humble American farm home. The farmer is suffering because of high railroad rates, lack of marketing facilities, and an inadequate and ancient credit system which does not respond to his needs; yet we sit here as representatives of the American people and try to press through Congress a ship subsidy bill that will add to their burdens instead of relieving them in the slightest degree.

Although, Mr. President, I realize these facts, yet when I suggest that a time be fixed to vote on a motion to give to the farmer a day, so to speak, in court, a day when his case may be presented, a day when his case may be called on the calendar, a day when we may get away for a short time from the consideration of a ship subsidy measure and consider the wants and needs of the American farmer, I have hurled at me the insinuation that I am in part helping in a filibuster. Ah, my friends, this question presents the issue of whether the shipping interests in this country can utilize and monopolize the time of the Senate or whether we will be fair in a small degree at least to the agricultural interests of the country and say to them, "We are going to give you a few days so that we may consider some legislation for your benefit."

I am going to vote for the motion submitted by the distinguished Senator from Nebraska [Mr. Norris]. I shall not vote for that motion because I favor the Norris bill; I am not in favor of the Norris bill; but I am in favor of the farmers having a day here in order that Senators may agree upon an agricultural credit bill and upon other legislation for his benefit and relief, and the best way is by adopting this motion. I know that if we procrastinate, as we sometimes do on this side and as the Republican majority always does on their side, we will never get anywhere to relieve the distressed conditions of agriculture as they are presented to us to-day.

I said I was not for the Norris bill. I have shown my opposition to it already. I happen to be a member of the Agricultural Committee, and I was one Senator in that committee—and I am not divulging any secrets when I say it—who made two motions and called for a record vote trying to eliminate the two objectionable features of the bill as I saw them. I am not for my Government going into the junk-shop business—no! I am not for my Government purchasing and operating and holding elevators and warehouses—no! I filed a motion, and on the roll call I voted to eliminate that provision from the bill, and I am not for the other provision. I am not for section 2 of the Norris bill, which seeks to buy agricultural products from any person. I do not want to see my Government go into the mercantile business. I do not want to see it go out and as among and between farmers compete in the purchase of their products. I am against the Government selling such products to any person within the United States or to any person or to any government or subdivision of government without the United States. To me those provisions are not only socialistic but they are bolshevistic, and I shall vote against them in the consideration of this bill; and if they are not eliminated, and the vote comes on the passage of the bill, I shall vote against the bill. But I voted to report it out, reserving the right to offer amendments and vote as I saw fit on the floor of the Senate. I did it because I knew it was the only way for us to agree on a measure as a substitute that would guarantee some relief.

I know, however, what is going to happen, and you know what is going to happen. We can not fool ourselves. Unless the adherents of ship subsidy legislation continue to occupy the time of the Senate to the exclusion of the consideration of an agricultural credits bill, we will take up the Norris bill for consideration. It will be discussed. Every line of it, every suggestion in it, will receive arguments for it and against it, and in the end we will agree upon a substitute for the Norris bill that will meet the needs, at least in part, of the agricultural interests of the country in the form of an agricultural credits bill.

I hope that when we shall have begun the consideration of the bill we can agree upon the bill that was recommended by the Joint Commission on Agricultural Inquiry, that was known as the Lenroot bill and that is known in the House as the Anderson bill, and which received the indorsement—of course, with reservations to improve it—of the Commission on Agricultural Inquiry. I want to see that bill substituted, with some amendments to it. I want to see the amount of \$1,000,000 that is to be appropriated to each of the 12 Federal land banks increased in amount to \$10,000,000 for each one, making possible a capitalization of \$120,000,000, with power vested in the bank to issue bonds and obligate itself to the amount of \$1,200,000,000.

Is that giving the farmers a little mess of pottage? Is that a piece of popgun legislation, when you present an opportunity to the farmers of the country to borrow \$1,200,000,000, provided they can meet the terms of the bill? They are modern. They are well drawn. It will render great benefit to the agricultural class, who need the credit; and I want to see that bill amended further so that it will compel the Federal Farm Loan Bureau, which is to control this credit, to establish in every agricultural or live-stock State where it has no offices now a branch office or an agency. I want to carry the plan to the farmers, and I want to see it amended—although I know without hope of success—so that the institution need not go through the banks to loan the money to the farmers or go directly to the associations. I would have it read that this concern can loan the money directly to the farmer if he can produce the security, freeing him from the interest charges imposed by the banks or the necessity of organization in an association in order to obtain the credit.

That proposition has been tried out in this body on an amendment that I offered a year ago, I believe, when we were considering the amendment to the War Finance Corporation bill. It has been tried out in the committees. I know that I am but a part of a small minority on that proposition, and so I am will-

ing to take the very next best thing, which, I think, is incorporated in what is known as the Lenroot-Anderson bill. We can get together on that proposition, and I hope that the Banking and Currency Committee of this body will not take up too much time, although the matter should be carefully considered; that they will eventually report out that bill, with such amendments as they think are wise, so that we can all get together on it or some other proposition that may be better and sounder, offer it as a substitute for the Norris bill, and pass it, so that we can at least say to the farmers, "We have redeemed in part the pledges and promises we made to you."

I would not stop there. That is not all. If I should write the policy of agricultural credit legislation at this time, I would incorporate in it a provision such as is embodied in the Norris bill, such as is embodied in the Norbeck bill, such as has been suggested in other pieces of legislation here, that the life of the War Finance Corporation shall be extended another year or more, or that some corporation shall be created as its successor, and it can loan money to interests in other countries to buy our surplus agricultural products here, provided the money is spent in this country and provided those interests put up adequate security before they borrow. That is what will help in this country.

When I look at you I remember how you have isolated America, how you have destroyed to our farmers as well as manufacturers the markets of foreign countries, how you have dammed up the stream of commerce so that agricultural products, of which we had a surplus in prior years and of which we have a surplus now, can not flow, and consequently a surplus hoarded here drives down the price of the farmers' products. If it had not been for that policy, if you had shown a little more wisdom, if you had not halted in your steps so much, if you had not been fearful of certain men in the Republican Party who would cry out, "Foreign entanglements!" we would have gone over there to try to help—yes; to try to help Germany in the reparations imposed upon her, to help Poland, to help other countries, through our counsel and our advice and our influence, to be rehabilitated; to help their industries start up anew and to restore prosperity to those countries, because when we do that we open up markets for our agricultural products and insure to America prosperity not only on farm, in factory, but to all our people.

Then, too, you have added to the farmer's burden by trying to build a tariff wall around this country, so that we can not trade with other countries, thinking we could just live here among ourselves and eat up or use our own products, destroy our exports, and diminish our balance of trade; and it is all felt in reduced prices to the American farmer.

Why, I saw my friend from North Dakota [Mr. McCumber] and my friend from Indiana [Mr. Watson] exhibit on the floor of this body a little doll, made, no doubt, by some little German girl. It took her, perhaps, days and even months to make that little toy. She thought, perhaps, that by her efforts she could gladden some little heart in America at Christmastide. She thought, perhaps, she could sell it for enough to buy her a little Christmas present, or a little Christmas toy; yet I heard the Senator from North Dakota and the Senator from Indiana say that a tariff wall should be constructed so high as to prevent that little German girl from making and selling here that little, simple toy to gladden the heart of a little American girl!

That is your policy; that is your record in this body and in the other body. I appeal to you, let us join hands and vote for the motion to take up the Norris bill, not especially because we are for the Norris bill but because it presents a foundation on which we can construct some agricultural credits legislation that will give immediate relief, if necessary, to the great farming classes of the country.

Oh, you need not worry; you will not lose the support of the great Shipping Trust of the country. You will not lose the support and the future campaign contributions of Rockefeller, even though John D. sr., has gone out of business in New Jersey. You will not lose the support of the United States Steel Corporation and the United Fruit Co. Let them wait a little while. Let the farmers have a day in court. Let us deal fairly with them. Let us meet the conditions as they arise. Let us stop making this charge of filibustering. Let us discuss these matters in an open way, and try to arrive at a quick conclusion.

When I cast my vote for this motion I am not fearful of the finger of scorn being pointed at me on the ground that I am for the socialistic doctrine of the Government buying and operating elevators and warehouses and buying and selling agricultural products. I am merely voting for it to open up the opportunity so that we can get together here and frame legislation to take care of this agricultural situation.

I want to see on this program, also, the Federal reserve law amended so that agricultural paper can be discounted for a longer time than is given to it under the present law. I want to see it extended to nine months, so that the paper which can be discounted can carry some benefit to the farmers of the country.

Mr. President, I have said about all I desire to say. I hope we can speed along. I hope that we can pass the appropriation bills and that we can all get together.

Mr. CALDER. The Senator from Mississippi has very kindly yielded to me that I may give notice that to-morrow, at the convening of the Senate, I shall address the Senate on the shipping bill.

Mr. CURTIS. I do not like to interrupt the Senator from Mississippi, but I desire to have action on two amendments of the House to amendments of the Senate to the State and Justice Departments appropriation bill. There will be no debate over it.

Mr. HARRISON. Very well. I yield the floor.

Mr. SMOOT. Mr. President, I shall not take any time to answer in detail the statements made by the Senator from Mississippi [Mr. HARRISON], but I desire to refer to one in particular at this time, because I think perhaps the country ought to know facts about the statement made by the Senator in relation to the imports and exports of our Government.

From the speech of the Senator from Mississippi we were led to believe that no imports of any amount were coming into this country and that the tariff law had dried up all sources of exportations, and that our export trade had been virtually destroyed.

What are the facts? Only this morning there appeared in the Washington Post an editorial which read as follows:

The overseas trade statistics, made public on Monday by the Department of Commerce, contain the gratifying intelligence that exports in November reached the highest point of the current year. The total value of the commodities sent abroad was \$383,000,000, which is \$12,000,000 more than the figure for October, \$90,000,000 more than that for November, 1921, and \$138,000,000 more than that for November, 1913. It is evident that in this important department of trade the trend is steadily upward. A large volume of exports generally denotes national prosperity, and in the present instance that is undoubtedly its meaning.

That does not look as if our exports are declining to a minimum. That does not look as if in the near future there will be no outlet at all for the products of the farm or the products of the factory; \$383,000,000 worth of goods were exported during the month of November.

Mr. HARRISON. Will the Senator yield?

Mr. SMOOT. I yield.

Mr. HARRISON. Would the Senator mind placing in the Record in this connection a statement of the exports and imports, by months, for the past 36 months?

Mr. SMOOT. I have not that information here, but I will be glad to insert it if I can secure it by to-morrow.

Mr. HARRISON. I hope the Senator will.

Mr. SMOOT. For the last three years?

Mr. HARRISON. For the last 36 months, by months.

Mr. SMOOT. That would take it into the war period, and that, of course, would be of little value.

Mr. HARRISON. Thirty-six months would take it into the war period?

Mr. SMOOT. Yes; that is three years.

Mr. HARRISON. That does not take us back to the war period.

Mr. SMOOT. The Senator knows that right after the war the business of this country was even greater than it was the year before.

Mr. HARRISON. Then let the Senator take it for the last 24 months.

Mr. SMOOT. I am perfectly willing to put it in for the last 24 months.

Mr. HARRISON. The Senator always watches those things. The exports have gone down constantly in the last 24 months, have they not?

Mr. SMOOT. In some months they did, and in some months they did not.

Mr. HARRISON. In most of the months they went down; gradually declined.

Mr. SMOOT. Not since the passage of the tariff bill, however, and it was the claim of the Senator that because of the passage of the tariff bill, that "iniquitous measure," as he designated it, our imports had decreased, and our exports had gone down to almost a minimum.

Mr. HARRISON. They have been so very, very small during the Republican administration that they amounted to practically nothing.

Mr. SMOOT. In the month of November of this year, 1922, our exports were \$138,000,000 more than they were in November, 1913, when the Democratic Party was in power, when there was no war, and just before the breaking out of the war in Europe.

Mr. HARRISON. Will the Senator read what they were in 1916?

Mr. SMOOT. I have not the figures here as to that, but I will say to the Senator that I am perfectly willing to put into the Record a statement of our exports for every month and every year since 1913, if it will do any good.

Mr. HARRISON. I think it will do a lot of good.

Mr. SMOOT. In that connection I want to say that there is no question but that during the war period we exported everything that could possibly be gathered together. There is no need comparing those years with ordinary times, when there is no war. But I am citing last month's figures, a time when the Senator from Mississippi wants the people of this country to understand there was a stagnation in all our exports, and I call attention to the fact that they were \$138,000,000 more in November, 1922, than in November, 1913, the month of November before the declaration of war in 1914. I only hope, as an American citizen, that our exports will continue to grow, and I see no reason why they should not, at least if European countries can get upon their feet again.

Mr. President, that \$138,000,000 increase was notwithstanding the fact that the purchasing power of the people in Europe has been brought so low that in some countries the people can not even get food enough to eat. Yet, with all that, our exports, as I have stated, are \$138,000,000 more for the month of November of 1922 than they were for the month of November, 1913.

Again, I think the figures will show that for the last three months our exports have been more than in any other three months outside of the war period. There is no one on either side of the Chamber who is not interested in legislation that would help the agriculturists of this country. I have no doubt but that the recommendations of President Harding in his last message, wherein he calls specific attention to the need for legislation by Congress, which the Senator from Mississippi has stated he is in favor of, will be carried out, and, as far as I am personally concerned, I want them carried out just as soon as it is possible to do it. The Senator from Mississippi can not denounce the Norris bill in any stronger terms than I do. He does not denounce its principles any more than I do. It is wrong in principle. I have not the least fear of its ever passing this body.

I simply rose to put into the Record at this time a statement of our exports. I am also happy to say that our imports have increased. The Senator from North Carolina knows that my estimate of the amount we would receive per annum after the passage of the tariff bill was \$400,000,000 at the most. From what has occurred since the passage of the bill I think it will be more than \$400,000,000.

Mr. McKELLAR. What does the Senator estimate the import duties will produce?

Mr. SMOOT. If our import duties continue on the same basis that they have since the passage of the bill, I will say to the Senator that I think the revenue will be about \$450,000,000.

Mr. McKELLAR. That is the amount I quoted to the Senator.

Mr. SMOOT. I heard the Senator this afternoon state that he thought there would be 10 per cent of \$450,000,000, and I say frankly now if the increase continues as it has in the last few months there is no doubt but what the sum realized from the importation of goods into this country will amount to \$450,000,000.

Mr. McKELLAR. I had in view the Senator's statement when I made the suggestion.

Mr. HEFLIN. Mr. President, the Senator from Utah [Mr. SMOOT] was boasting of our export trade for last month as compared with the same month of 1913. The fact that the foreign countries are buying from us, as export figures indicate, contradicts the gloomy statement made recently by the Republican ambassador to Great Britain. Just at the time when the cotton crop is moving to market, and knowing that Great Britain is one of the greatest consumers of the raw cotton of America, and that the farmer is trying to get a price that will yield a profit, this Republican ambassador gives out a statement that Europe is about to fail financially and that conditions can not go on much longer as they are now going.

I submit that the figures which have been called to our attention by the Senator from Utah flatly contradict the state-

ment given out by the ambassador to Great Britain, Mr. Harvey. There are a great many people here who believe that he made the statement for the purpose of injuriously affecting the cotton market and the wheat market of the United States. It did seriously affect both. All sorts of things are resorted to in order to affect the markets here to aid the speculator in robbing the farmers of the United States.

This same man Harvey, who made the statement just referred to, not long ago rose on a solemn occasion in London and expressed serious doubt as to whether a woman has a soul. This man is representing a Christian nation—

Mr. CARAWAY. Oh, no; misrepresenting it.

Mr. HEFLIN. Misrepresenting it, as my friend from Arkansas suggests. I submit that, acting as ambassador of the greatest Government on the globe, he cast a reflection upon every woman in the United States and in the world. Paul said to Timothy—

The faith that is within thee was first in thy grandmother, Lois, and then in thy mother, Eunice.

Woman has been and is to-day the keeper of the faith.

If there is one or the other who has not a soul, it must be George Harvey and not the American woman. If I had been President of these United States when this ambassador made that speech in London, I would have recalled him by cable.

Mr. CARAWAY. Why not dismiss him and leave him there, and not bring him back?

Mr. HEFLIN. I agree that that would have been better. I would have employed whatever method would have humiliated and punished him most. The President of the United States owed it to the Christian Nation which he represents to call that man away as representative of our country to Great Britain. But this man who misrepresents our country, strange to say, has not been removed. He has done half a dozen things that have warranted his removal, but it is strange that certain influences here seem to get a man of this type in position and hold him there and it is impossible to get him out. It is strange indeed.

This man gave out the statement to which I referred, that Europe was just about on the edge of financial collapse, when it is not so. When Europe can buy more stuff from us and pay for it in the month just passed in 1922 than she could prior to the war it presents a situation that flatly contradicts the statement of George Harvey. His statement, in my judgment, was made for the purpose of affecting the grain market and the cotton market in the United States. I have seen letters to the effect that his statement broke the cotton market several dollars a bale. That means a good deal on a crop of nine or ten million bales. That means a great deal to the farmers who are struggling and are in dire distress to-day. But this man is permitted to get away with that sort of thing.

While Harvey stands in London telling us of the deplorable financial situation in Europe, the Senator from Utah [Mr. Smoot], one of the leaders on the other side of the Chamber, stands here and boasts of the purchasing power of Europe and how it has increased, how it has grown by leaps and bounds until to-day they are buying a great deal more, nearly \$200,000,000 in one month, more than they did prior to the war, before its terrible devastation struck and cursed that country.

I submit that these are very remarkable contradictions. Either George Harvey is mistaken or the Senator from Utah is mistaken. I am satisfied the Senator from Utah is not mistaken, because I am sure he has given the figures correctly.

Mr. President, the Senator from Utah complains that we are delaying the passage of the ship subsidy bill. I want to call attention to what happened in connection with the tariff bill—the most obnoxious and oppressive tariff bill ever written. It was kept hanging here for one year, and it was held back by the Republican Party and was not permitted to be put on the statute books until it was too late for the American people to know the evil effects of it before the election.

Mr. SMOOT. Mr. President, I think the Senator ought to be fair. I have never before stated on the floor of the Senate, during all of the discussions, that the Democratic Party held that bill back until just before election so the American people would not get the benefit of it. I am surprised to hear the Senator from Alabama now make the statement that the Republican Party held it back. The Senator knows that the Republican Party would have passed it months and months before it was finally passed. The Senator from Alabama was one among the Senators on his side of the Chamber who prevented its passage. If we had had that bill in operation six months before election, every argument that was made by Democratic speakers in the campaign would have been swept away from under the feet of my Democratic friends, because

it would have demonstrated then, just as it is demonstrated to-day, what we said would take place.

I do not like to have the Senator say that it was the Republican Party that held it up until just before election. If anything could have defeated the party on account of the passage of the legislation, that very thing would have defeated it, because the Senator knows the result of a change of tariff law, when it has not had time to demonstrate its—

Mr. HEFLIN. Time to get in its awful work?

Mr. SMOOT. When it has not had time to demonstrate what it will accomplish, no matter whether we call it good or evil. Let it demonstrate itself. Of course, all sorts of charges could be made against it and it may be called anything. The sponsors of the bill could only say, "We do not believe it;" but if it had demonstrated itself as it is doing to-day and as it will do in the future, all we would have to do would be to point to the results, just as I have pointed to them this afternoon.

Mr. HEFLIN. I am glad to have this confession from the Senator from Utah. It is a fact that they wanted to pass the bill the first week they brought it in here without discussing it. Senator SIMMONS insisted that its provisions be discussed. I remember that the Senator from New Mexico [Mr. Jones] got up and asked that the first item be explained. He asked why that rate was fixed and why that item was put in the bill. The very intelligent and frank answer made was that it was put in there for the same reason that all the other items were put in there. That was the amazing and only information that was given on the subject. We commenced then to take up the bill, item by item, and call the attention of the American people to what was going to happen through that legislation. Some of the Republican newspapers commenced to arraign Republican Senators who sponsored the measure, and it was the exposures made by the Democratic Party in this body that got out to the people that turned the Republican majorities into Democratic majorities and changed the political complexion of both bodies in the recent election.

Mr. SMOOT. Of course, the Senator can say that and claim it, but that does not necessarily prove it. I do not know which Senator we are to believe—the Democratic Senator who just preceded the Senator from Alabama or the Senator who is now addressing us. The distinguished Senator from Mississippi [Mr. Harrison] said it was the shipping bill that did it. In the House discussions I notice there were other things said to have brought it about. Now, we are told by the Senator from Alabama that it was the tariff bill that brought it about.

Mr. HEFLIN. I am just referring to one of the things on which you have filibustered, or rather on which you have taken a great deal of time. That is the reason why I am commenting on that. I am showing that you had it under consideration for more than a year, and you will probably have the ship subsidy bill under consideration for more than two years. You do not think so, but you may.

Mr. SMOOT. I do not know how long it will take. It all depends upon whether the filibuster develops or not. I know just as well as I know I am standing upon this floor now that a filibuster can stop the passage of the ship subsidy bill.

Mr. HEFLIN. Does not the Senator think a filibuster that would defeat it would be justified?

Mr. SMOOT. Oh, no; I do not. That is a difference of opinion between the Senator and myself. I will admit frankly that four days were taken in the discussion of the tariff bill to settle the question of the rate on vinegar. I know that, and the Senator remembers it very well. I was not deceived as to why it took four days to pass the one item of vinegar. It was for the very purpose of holding up the passage of the bill until just before election.

Mr. HEFLIN. I hope the Senator will not consume the time of the Senate in discussing one item now, especially when the subject matter is so sour a thing as is vinegar. [Laughter.] We want to get along with business, and the Senator wants to take up my time discussing vinegar.

Mr. SMOOT. I shall not interrupt the Senator again.

Mr. HEFLIN. The Senator said if the tariff bill could have been passed six months earlier and could have gone to the country the situation would have been different; that it would have worked miracles. Mr. President, I sincerely believe if it had been passed six months earlier, and we could have had the same discussion up to that time which we had before the bill was passed, there would not have been enough Republicans left on the other side to count. Look how it trimmed the Republicans out in the other House. Republican editors when they read the able speeches of the Senator from North Carolina [Mr. Simmons], of the Senator from New Mexico [Mr. Jones], of the junior Senator from Utah [Mr. King], and of

other Senators who discussed the tariff question, turned right around and said, "This thing ought to be defeated." I submit to the Senator from Utah and to the Senate and to the country when Democrats with a few grains of truth and a few flashes of light can so convince a Republican, can so enlighten him that he changes his position completely and fights the thing which he formerly supported, that is "going some"; yet we saw that happen right here in this country.

I am not going to make a speech. I merely wish to comment briefly upon an article which appears in the Washington Post this morning in reference to the leadership on the other side of the Chamber. It reads:

Senator JONES made a faint gesture in the direction of the only drastic step which the Republican leadership can take to put a stop to the wasting of time now going on in the Senate. This would be by making a motion to lay the Norris motion on the table. Such a motion is not debatable.

That is a gruesome confession to be made by the Republicans who talked to the newspaper man; that we are wasting time when we stand here and demand legislation for the farmers of America. Those farmers are part and parcel of this Government; they contribute to its support, to its strength, and its glory; they are patriotic people. Their boys went to the World War and fought under the flag. Some of them died and others of them came back, having been wounded in the cause of their country; but when we stand here and undertake to plead for legislation, not giving special privilege to the farmer but legislation that will put him on the same business basis as other classes of people, this article refers to our efforts as a waste of time.

Here is another paragraph to which I wish to call the attention of the Senate:

What the leadership is afraid of is that even if the Norris motion were tabled or defeated, the discussion on farm relief would go on just the same.

It is now clear the Norris motion can not prevail, but the tactics being employed to defeat the administration's program might easily throw the final test over into the new year, thus still further jeopardizing the chances of the subsidy bill.

Oh, Mr. President, that presents an awful picture to my mind. Here is a newspaper supporting the administration, the mouthpiece of the Republican side, criticizing those of us over here who demand legislation in the interest of agriculture that is very much needed by the farmers of the country. That newspaper states that we are continuing the discussion and we might continue it over into the new year. On the other side, it is suggested that that would jeopardize the President's program and would defeat the President's measure, which is aid for the shipping trust of the United States. I call the attention of the Republican Party here assembled and the country over and the attention of the people of the Republic at large to the fact that the Republicans are striving, with whip and spur, to force through a subsidy measure in the interest of the shipping trust, but are holding back all legislation looking to the benefit and relief of millions of people in the agricultural sections of the country.

Mr. President, I have been sitting in the Committee on Agriculture and Forestry listening to the hearings and participating in them. I wish every man and woman in the country could have heard farmers and country bankers from the West testify, for their testimony was of such a character as to bring tears to the eyes of anyone who really had a heart. I heard those farmers testify that their land was mortgaged. I asked "And how did you get money or credit then?" They said, "We got it on our cattle, our horses and mules." I asked, "After you had mortgaged your stock, how did you get it then?" They replied, "We mortgaged our growing crops."

That is the condition which confronts us in the agricultural regions of the land. The farm lands are mortgaged; the roof-tree that shelters the family is plastered over with mortgages; the live stock about the premises are covered over with mortgages; the crop which is growing in the fields is covered with a mortgage. That is the class of people who come to Congress and ask us to create a rural credits system that will enable them to break the chains of the bondage that binds them; yet this newspaper says that the fear on the part of the Republican leaders is that the Democrats will continue this discussion of relief for the farmers over into the new year and that the danger is that we shall defeat the President's pet scheme of a ship subsidy bill.

Oh, Mr. President, one can not serve two masters. A man must either be for God or mammon. He has got to choose in this Chamber whether he will be for the ship subsidy, with all its iniquities, or will be for the farmers of the country, their wives and their children who are clamoring and crying out for fair treatment at the hands of Congress.

I wonder why it is that the special interests can always get the ear of the Republican Party? Why is it that they are so powerful that they can get the President to come to Congress and deliver a message specifically naming a certain measure and urge immediate action? When the Republican leaders refer to other measures they do so in glittering generalities; they merely say, "We ought to have some sort of a rural credits system"—just shooting at the moon, and with little bird shot at that. However, when it comes to a ship subsidy they get a big Winchester with a steel bullet and they shoot right at the spot, and there is no time lost then; they go right to the issue.

Mr. President, in another place in this article it is said that—This week's filibuster has already cost them \$400,000.

Think of that, Mr. President! Whoever it is who is writing these inspired articles is employing new tactics against us. He states that we are costing the Government \$400,000—doing what? Demanding of a stubborn Republican majority legislation in the interest of the agricultural classes of the United States. Are we wasting time? Is that a waste of time? Mr. President, time spent in demanding justice for the agricultural class is time well spent; and when we can not secure action by coaxing and appealing to the other side, if we can employ tactics which will force action to give relief to the farmers before the shipping trust is served, I say we are performing a patriotic duty; it is not a waste of time, but is time well spent.

I quote another statement from the article in the Washington Post:

The statement by Chairman JONES late in the evening that he had received information which led to more optimistic conclusions was most reassuring.

I wonder what sort of information that was; I wonder who gave such information.

What this information concerned was not disclosed.

Oh, Mr. President, how mysterious the workings of the ship-subsidy crowd! They are receiving information, but we do not know whence it came. It did not come over any particular wire running into this Chamber, I presume, but probably it came by wireless from somewhere out yonder. However, it is stated that the chairman of the committee did not disclose the character of the information he received. The article continues:

What this information concerned was not disclosed. It indicated the terrific Progressive counterattack of the last few days had failed and that the administration forces had been strengthened.

I want to know who it is that has gone back on the people; I want to know who it is that is ready to sheathe his sword; I want to know who it is that is ready to crawl and trundle to those who stand beyond the walls of this Capitol and demand that the ship subsidy bill be driven through? Who is it that is giving information that those who are opposed to ship subsidy are weakening? Where are they? Where is a single one of them who stood out against this thing who has now gone around and whispered to somebody somewhere in some mysterious fashion that he is about ready to go with the other side?

No, Mr. President, the ship subsidy bill ought not to be here at all; it ought to be considered, if it is to be considered at all, by the Congress which is coming in on the 4th of next March. Lame ducks ought not to settle this question.

Now, I desire to draw a picture of a defeated candidate repudiated at the polls. I may say first, however, that the people voted against some of them because they were not clear as to whether they were against the ship subsidy bill or not, and I dare say there is not a Republican who was elected at the recent election who would have stood up before his constituency three days before the election and told them if re-elected he would vote for the ship subsidy bill. Why should we act in that way with the rights and interests of the American people? They are entitled to be taken into our confidence.

Referring to the picture of the lame ducks, Mr. President, there he is at home submitting his case to the people. They say, "No; we do not indorse your record; we do not want to keep you there any longer." So they defeat him; he is repudiated by them, by the sovereign power of his district or State. Then he comes back to Washington, although his term ends on the 4th of March. The White House looms in the distance, and the President stands beckoning and smiling; the lame duck goes "laming" on up in that direction and the President whispers to him, "I will take thee into my bosom. You have been beaten at the polls, repudiated by your people; but you still have a vote, and I have an official plum tree."

Mr. President, of course I do not charge that the President would do a thing like that, but I am just wondering if he did; whether that fellow—remembering back yonder the expressed judgment of the people—hearing this beckoning call and seeing this winsome smile, with this tree full of plums just ready to

shake and fall, would not think how nice it would be to sit up under it and pick out a nice, luscious, ripe plum and ask the President to knock it loose and let it fall into his tender care and keeping. [Laughter.]

Mr. President, in the House there were sixty-odd Members who had been defeated, and they put over this ship subsidy bill. But for their votes it would have been defeated in the House. Nobody can deny that. This is a serious thing we are talking about here to-day—the undertaking to give away, for a song, ships that cost this Government in cold coin \$3,000,000,000—three thousand million dollars. We have a man at the head of the Shipping Board, a Mr. Lasker, who told the world that we could not sell the ships, and that there was no market for them, and threw off on them in various ways, and then said: "What will you give me for them?" Did you ever see a discreet, intelligent, worthy agent do anything like that? Then he comes along and says: "Now, we can only get about \$200,000,000 for this three thousand million dollars' worth of ships, a fleet of the finest steel merchant ships that sail the sea. It is proposed to give them to the ship trust for \$200,000,000, and loan them money at 2 per cent, and give them out of the pockets of the people a subsidy of \$52,000,000 a year."

Mr. President, I am going to make a prediction now. The man who votes for this bill will be defeated two years from now if he is a candidate at that time. The people are not going to stand for this sort of a steal. I do not know how to characterize it in any other way. Anybody that would recommend the selling of this Government's property that cost three thousand million dollars for two hundred million dollars has something wrong with him. He ought to have his head examined, or his heart, one or the other, and maybe both. There is something wrong somewhere.

What would you do, as an individual, if you owned those ships and general business conditions were bad, as they say they are now? Why, you would say, "I will just throw my arms around them and sit quietly down and hold them until times get better." Why should the Government of the United States have this action taken by the administration that stood on every housetop in the Nation saying that it was going to take the Government out of business and put business into Government? This is business with a vengeance, is it not—selling three thousand million dollars' worth of ships for two hundred millions? And then, if you have not money enough for their upkeep, why, bow and smile to them and say, "We are going to make a special exception in your case. We are going to let you have money out of the Public Treasury at 2 per cent. We do not show that consideration to anybody else under the sun. You are a trust. You are going to get the benefit of these ships that the Government has built. We are going to make special pets of you and give you a subsidy of \$52,000,000 a year, and on top of that we are going to loan you money at 2 per cent." There is no man living who can defend such a deal before the American people.

You can talk about wasting time all you please. You can talk about a filibuster. Some of you two years from now, after the election is past, will wish that this filibuster had lasted beyond your terms, so that you would not have had to go on record. I remember, when the Newberry case was up, standing here myself in nine different speeches upon the subject, and I warned my friends on the other side that when they voted to give Newberry a seat they were voting to give up their own seats; and the people trimmed every one but one of them, I believe, that voted for him.

Mr. President, I make the prediction again: that Senators who vote for this ship subsidy will be defeated. That is the only way the people can get agents out of here that serve other interests and not their interests. They have a right to get them out. They ought to get them out. Whose Government is it, as I frequently ask? It is the Government of the people; and if Congress undertakes to ram something like this down the throats of the people, and does it with a lot of lame ducks, it adds to the outrageous aspects of the case, and it ought not to be tolerated.

Mr. President, there are some of us here who are interested in legislation for the farmer. We simply want a fair deal given to the farmers of the country. We want a rural credits system established that is suitable to the farmer's business, and we intend to see that that is done. I, for one, am not in favor of sidetracking for one hour legislation looking to the interest of the farmer and the relief of the farmer to consider any bill in favor of the special interests of America, especially such a measure as this ship subsidy bill. There ought not to be a man in this Chamber who would urge its consideration over these measures looking to the relief of the farmers of the country. As I have shown, the farmers' land is mortgaged;

their homes are mortgaged; their cattle and horses and mules are mortgaged; their crops are mortgaged; all that they have is tied up; they are in a state of bondage, and we are undertaking to stretch forth the healing hand to give to them deliverance.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that when the Senate closes its business to-day it recess until 12 o'clock to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIAL. Mr. President, I have such high regard for the honesty and for the zeal of the Senator from Nebraska [Mr. NORRIS] that I regret to oppose almost any legislation that he proposes; but, Mr. President, to my mind the bill involved in the pending motion is so revolutionary and is so much out of order, there is so much to be condemned in it, that I could not think for one moment of supporting the bill. It is paternalism run mad, and I never could bring myself to vote for any bill that would put the Government deeper into business. In fact, I wish that the Government were out of all kinds of business that it is in. We have had a sad experience in the past by reason of the Government dipping into business, and this bill goes much further than we did, even in war times. It is thoroughly unconstitutional. It is thoroughly out of keeping with the times. Therefore I could not even vote to lay aside temporarily the shipping bill and take up the Norris bill, notwithstanding I confess that I have a good deal of difficulty in deciding which one is the more objectionable. I am almost in the position of the senior Senator from Mississippi [Mr. WILLIAMS]. However, I will not do as he did, and fail to vote. I will stand my ground, and vote for the lesser evil, I hope, with a view of having them both defeated.

Mr. President, I presume that there is but little divergence of opinion in the Senate about trying to enact some legislation beneficial to the agricultural interests of our country. I am certainly heartily in favor of passing a proper bill at the earliest possible moment. I am deeply concerned in agriculture, and certainly for the last several years the producers have not received anything like they should have received. In my part of the country, in addition to financial troubles, we have had the pest of the boll weevil, which has infected pretty much the whole cotton-growing country; and my State, particularly this year, has suffered more in proportion than any other State in the Union. Where year before last we raised in that State about 1,600,000 bales of cotton, last year we made a little less than 800,000 bales, and this year we will not raise over 500,000 or 530,000 bales; so that is a great slump. Our sister State of Georgia is about in the same condition. The situation in North Carolina is not quite so bad, but the boll weevil is going in that direction, and no doubt next year will have enveloped the whole cotton area. Therefore we should do something to aid the farmers in a proper way.

I am not one of those who believe that all ills can be cured by loaning people money. In fact, I am not much in sympathy with the propaganda of the times, encouraging people to get deeper in debt. My training has been to borrow as little as possible. It is not so hard to borrow, but the time for payment is the time when we encounter great difficulty. However, there are times when people of all occupations should be accommodated by credit in the proper way for a reasonable time at the lowest possible interest. I hope the Banking and Currency Committee will expedite their deliberations and will soon report a bill, and if we can not agree upon it at once we can soon whip it into shape, and I hope it will be passed in a few days.

In the meantime, I do not think that any efforts should be spared to expose the iniquities of the shipping bill. I am a member of the Committee on Commerce, and I confess with some humiliation that my education in regard to ships is limited. I have had very little experience along that line, but with the desire to become better posted, I attended most diligently the meetings of our committee, held some time ago, with Mr. Lasker before us, and those meetings extended to late hours at night; so that at physical inconvenience I attended those meetings in order to get better posted and to see if I could aid in any way in solving the problem of disposing of the Government's ships.

We find that the Government has this large tonnage on hand, built during the war, and built at enormous cost. I am not one to complain about that, however, and to find fault. It was necessary to build them at the time, regardless of cost, and there was no one to blame. It was thought to be necessary. I am only sorry that there was so much profiteering in their construction.

However that may be, that should be counted as a cost of the war, and we should now make the best disposition possible of those ships. I hesitated a good deal about supporting the American merchant marine act of 1920, but I was young on the committee, had been on it only a short time, and that was thought the best solution of the problem at that time. I have watched the disposition of those ships since that time.

This is a large problem which we have to dispose of. It is one which requires the very best thought in the country, and I was in hopes that the Government would be able to dispose of those ships at a reasonable per cent of the cost, at least; but it seems that for the last few years the demand for shipping has declined greatly, and those ships, which were built at a cost of something like \$200 a ton, could not be disposed of for more than \$30 a ton, even the steel ships. That was a great disappointment to the taxpayers of this country.

I confess I have been greatly disturbed as to the best disposition we could make of the ships. I am very much interested in the subject, and I attended the hearings to which I have already referred with a great deal of interest and an open mind, to see if I could get some information; but I must say that I was greatly disappointed at those hearings, and I had reluctantly to come to the conclusion that a proper effort had not been made to dispose of the ships.

I am opposed to Government ownership of railroads, ships, or any other so-called public utility, and I would take great delight in seeing those ships disposed of to private owners at the earliest possible moment, so that the Government could retire completely from the shipping business, but I am totally at variance with the methods which have been pursued by the Shipping Board. I do not like to say harsh things against people; I prefer to think well of everybody. I know most of the members of that board, or a great many of them, at least, very pleasantly, and I was in hopes they would make a success of the operation and disposition of the ships, but after listening to Mr. Lasker—who, I am sorry to say, in my opinion is about the whole show, he having been selected apparently for a purpose, which he has about performed—I was surprised to find that the efforts of this board had not been to make money by operating our ships. In fact, if they had tried to make a failure they could not have succeeded better than they have, notwithstanding the tonnage of the world is no larger than it was just preceding the war. Yet we have something like a thousand steel ships tied up.

When Congress donated \$20,000,000 to buy corn for the Russians, it was publicly stated that the ships of the Shipping Board were not in condition to convey that corn across the ocean. At that time I made some remarks on the subject and criticized the board, stating that that was a very poor advertisement in a campaign to sell the ships when we had over 900 tied up, decrepit, lame, and halt, ships which could not carry the grain we were donating to relieve the suffering in Russia. A few days after that public talk we were notified in the Senate that they could carry the grain across. I guess that woke them up. That is a demonstration of the incompetency of that board, and of their methods of advertising our ships.

To my great astonishment Mr. Lasker said—and I do not want to misquote him—that if there were cargoes to be had, and if there were individual shippers who would take those cargoes, he would not allow the Government ships to come in competition with them. In other words, they did not go after business, but tied the ships up, and would not let them get business. He further stated, to my astonishment, that he was spending a large part of his time in trying to organize companies to buy those ships from this board.

I do not like to criticize the administration, notwithstanding I am not a member of the majority party; it is our Government, Mr. President, and I like to accord to all Government agencies the thought that they are doing the very best they can. But after listening to Mr. Lasker for a long time on different evenings, and seeing the performance of his experts, I reluctantly arrived at the conclusion that his effort was to belittle the ships, instead of trying to give them their proper standing in the world. It seemed that his main thought was to cast reflections upon the former administration on account of the cost of the ships and the mistakes they had made. It may be true that ships did cost too much, and I think they did, and it may be true that there were too many built; but the former administration were not trying to build ships for the sake of building them; they were building them for the purpose of winning the war. It seemed to give Mr. Lasker great satisfaction to cast all the slurs he could about mistakes which had been made. I have never thought it was very profitable to go back and complain about the past, or find fault with somebody. It seems to me the way to build up a country, particularly with the tax-

payers' money, is to try to avoid duplicating the mistakes which have been made in the past.

So I am not surprised at the financial failure of the Shipping Board. It seems that Mr. Lasker had no experience with ships; in fact, he admitted so, and made light of his own knowledge. He hardly would have known a ship from a two-horse wagon, said he had no experience with shipping, and that he took the position reluctantly. My understanding about it is that he is an advertising agent, and I think he has advertised the inefficiency of our ships most liberally.

It seems to me a peculiar thing to hire a man to sell something, and then for him to go out and malign it, and blackguard it, and belittle it. That is about the best course he could take to give them away. If I had a kicking mule, I would not advertise that he was a kicking mule. I might reluctantly have to answer the question if I were asked, but I would not tell that he was a balking mule, and that sort of thing, all at one time. I would not misrepresent him but I would not want to magnify his faults. It seems to me they have done that in the case of these ships.

The board seems to be incompetent to run the ships, and they had to go out and hire some men at salaries of \$35,000 a year each. I am one who believes that a laborer is worthy of his hire, and I do not blame a man for asking as much as he wants for his services, and if the other man is willing to pay that is his lookout; but it seemed to me that, with the great number of people in the shipping business in the United States, men who were experts in operating ships could have been employed at much lower salaries than that. When we think about the salary of the Chief Justice of the United States being not more than half of what one of these men is getting, and when a hard-working Senator comes here and works day and night, with all the vicissitudes of being reelected, and draws only about one-fourth of that salary, it seems that the Shipping Board are trying to find a way to dispose of money instead of trying to save it. So no one need be surprised at the result. In fact, it would have been most remarkable if that board, operating about 400 steel ships, I believe, with something like a thousand tied up, could have made ends meet.

I am firmly of the opinion that the right way to dispose of those ships would have been to put them in active business and to have competed with the ships of this country and the ships of the world, and wherever there were cargoes to have sent after them, and tried to help build up new routes, and tried to let the people who owned ships know that the Government was in the business and that the Government could operate ships. Then those private owners would have gone in and bought a large number of those ships at reasonable prices.

Now we have to dispose of them in some way. I would dislike very much to see the Government in the shipping business permanently. But there are worse things than that. If we could not get rid of them at a reasonable price, and if we could not get rid of them without paying people big bonuses and subsidies to operate them hereafter, I would favor the Government operating them itself until shipping in the world becomes more normal. Then possibly we could dispose of them.

I do not think that it is commendable for a legislator or anyone else to "knock" a plan unless he has something better to propose. The slight degree of success I have attained in the world has not been by knocking down the other fellow's propositions or destroying something, but it has been by trying to construct and build up. It is much more agreeable to me to take that course than it is the course of "knocking." So we either have to pass the subsidy bill, it seems, or do something that is better. If I had it in my power, the line of action I would pursue would be to see if we could not get Congress to take a sane view of the situation. This is a serious matter. The taxpayers of the country have something like \$3,000,000,000 invested in these ships. Considering the distressing times, the scarcity of funds, the shortness of crops, and the great distress that is in the country, the rising cost of living and the increasing taxes, we should do something to see if we can not put the people of the country in a better condition.

So it seems to me that it is a good time now for Congress just sanely to take a new stock of our situation and of our laws and of what we are going to do in the future. World conditions have changed in the last few years. We are now a creditor Nation instead of a debtor Nation. Therefore, we have to look to different ways of doing business. The time has arrived when we might have to adopt revolutionary laws. In fact, I think we should take a new start and revise our conditions generally. Every Member of Congress should approach these subjects in a calm, honest, fair way, with a view to the best interests of the taxpayers of the country. The mere fact that a measure has been introduced by one side or

the other or is advocated by one side or the other, should not justify other people in opposing it. They ought to advocate something of real merit, of real constructive quality, something that would help our people permanently. If we do not do that, we are going to encourage the voters of the country to become more discouraged and more demoralized than ever before. I am glad that I live in a conservative section of the country. Our section has a greater proportion of original citizens and of pure-blooded Americans than any section of the country. I noticed the other day what the Vice President had to say with respect to that, that we were the balance wheel of the whole country; that we were the conservative element of the country. It is time that we get that principle inculcated all over the United States.

It pains me to hear Senators make speeches like they sometimes do here. I noticed the other day that the senior Senator from Iowa [Mr. CUMMINS], for whom I have great respect and in whom I have great confidence, admitted that we could not pass any railroad legislation at this session of Congress. Whatever is for the good of the people ought to be passed at any time, and nothing could be done that would help out more than to revise our railroad legislation. It ought to condemn and damn any man forever who stands in the way of constructive legislation. Yet we are told that we can not at this session enact any railroad legislation. I do not care whether this session ends the 4th of March or whether it ends the 1st of February, we ought to sit down and get together and pass laws that would help the country, without even a week's debate. If we do not do it we are bringing about our own destruction.

Now, in the matter of the shipping bill, while I feel that I am not an expert at all, yet I have studied the subject somewhat, and I would suggest that we take a comprehensive view of all the laws on shipping and see what are injurious and what are beneficial. If there is anything injurious, we ought to be men enough to repeal it even if it might make us unpopular with certain people in the country. I am told that there is a good deal in the seamen's act that militates against the successful operation of our ships. Instead of trying to wink at a proposition or trying to evade it, we ought to meet it and every proposition squarely. We ought to be men enough to legislate for the people as a whole in the country and for no class and no section. If I had it in my power I would repeal, before 6 o'clock to-night, every law that gives special privileges to any class of people in the country.

I received the other day a copy of *American Industries*, a magazine published in this country, from which it appears that they have submitted the ship subsidy question to a large number of prominent business men throughout the United States. It seems to be almost the unanimous conclusion of a great number of the big business men who replied to the questionnaires that there is something wrong with the shipping laws of the country. We ought to know what is the matter. If we do not know, we ought to get experts to tell us. We ought to study what is right and what is wrong in those laws.

In the first place, I will state that the whole shipping bill, to my mind, is on the wrong basis. It is a kind of hothouse proposition. We may just as well get rid of the idea that the Government can make people rich by taking from one class and giving to another class. The bill is wrong at the bottom and it is wrong at the top. It starts out with a subsidy on the theory that here is an infant industry, "sucking the bottle," and we have to support it. That is a wrong proposition. What we need is that the people of the country go to work. Any enterprise that needs special nursing and special hot-house attention is not worthy of help.

On the other hand, we put in the bill a provision that if a man makes over a very small per cent that surplus is to be taken away from him and put in the Treasury. That is a wrong proposition. That is against the principles that have made this country great. We should not expect people to invest their money in an enterprise, to develop the resources of the country, whether it be in the field or in the mine or in the factory or on the sea or anywhere else, asking the owner of capital to take all the hazards of the business, when he has worked a little bit harder than somebody else and taken care of his money and invested it, and then have the Government come along and say, "I will take all that you earn above a very small percentage." That is a wrong principle. We never would have built up this country if we had had any such principle prevailing. It is wrong in business. It is wrong in every way.

I know something in a personal way of water-power companies, for instance. After a man takes all the chance of developing, all the risk that he runs by combating the ele-

ments and all the uncertainties of the business and the customers, it is wrong, then, for the Government to come along and say, "If you were exceedingly fortunate one year, if you sat up all night and worked hard and lived scantily, so that you made more than a certain little per cent, we are going to take it away from you." We will not be able to get people to go into enterprises of that sort if we adopt that principle. I do not wonder that people will not buy ships under those circumstances.

I can not understand how it is expected that we should give a subsidy with these ships. They are practically given to the operators. They have the oceans to run upon, with no tracks to lay, no grass to cut, no weeds to keep down, and with very little expense of operation. Why they can not make money I do not understand. If we can not compete with the ships of the other nations of the world, it is time that we learn how to do it.

As to the seamen's act, to which I have referred, I notice in the magazine, *American Industries*, an editorial on page 6, in which, speaking of what we will have to do to make a merchant marine, it said:

Restrictive labor laws must be repealed; without their repeal no intelligent shipping company will take over Government ships at any price commensurate with this present cost in the expectation of making them profitable or of maintaining an efficient and loyal organization.

On page 7, in an article by Mr. Frederick J. Koster, it is said that—

In many ways foreign ships can be operated much more economically than American ships, primarily because wages and living conditions of foreign ships' officers and crews are very much lower. It is generally accepted as an axiom that where the overhead of an American manufacturer is higher than his foreign competitor, the former must either sell his goods at less or must sell better goods to offset the difference, or else go out of the foreign-trade business.

I was interested the other day in hearing the Senator from Washington [Mr. JONES] read from the opinion of Robert Dollar. Robert Dollar is a shipping man, and must be a man of great experience, who knows what he is talking about. On page 20 of the same magazine he said:

As Congress will not change or modify the laws that drove the American merchant marine off the ocean before the late European war. I am in favor of a subsidy. I claim, however, that if our laws and regulations were the same as our competitors', we would not require any assistance from our Government. This applies only to cargo ships engaged in the foreign trade. No foreign government gives subsidy or aid to their cargo steamers, and they are able to operate successfully; for this reason I say that under the same conditions American shipowners could successfully operate American ships.

It may surprise your readers to know that until my company put three American 10,000-ton cargo steamers in the foreign trade of the Pacific Ocean, running from the Pacific coast ports to the Orient and around the world, there was not one privately owned American steamer engaged in this great Pacific Ocean trade. All the American ships engaged in this trade were owned by the Shipping Board.

I write on the question of subsidies without any bias, as, with the restrictions proposed in the subsidy bill, I could not take advantage of it.

So it seems he could not take advantage of it even if it has become a law. Mr. Dollar continues:

A sharp distinction must be made, however, between cargo and fast mail steamers. They can not and are not operated by any nationality unless either subsidized or paid a large compensation for carrying the mails. Every nation assists their fast mail steamers in one way or another, and as all American steamers cost 20 to 30 per cent more to operate than those of other nationalities, it goes without saying that it would be impossible for them to compete without being subsidized.

The "seamen's act," or "La Follette bill," as it is called, was so vicious and bad that several sections of it have never been enforced. The latest legislation is the joker put on the tail end of the tariff bill, which provides that all repairs made to American ships in foreign countries shall pay 50 per cent duty. As American prices are more than 50 per cent higher, it goes without saying that American ships are penalized 50 per cent over and above what their competitors have to pay. I only mention these two bills, as they are the very latest. There are many more, but too numerous for this article.

I have the kindest feeling in the world for people who work; I want them to realize everything they possibly can from their labor, all that it is worth, and all they can reasonably get, whatever is fair and honest and equitable; they ought to be paid good wages and be encouraged to work harder; but if there is anything in our laws which would restrict the operation of our ships, we ought to repeal it. Therefore, Mr. President, what I would undertake to do would be to amend existing law.

Our shipping is encumbered in its operation by the tariff. I hope it will soon be demonstrated that we will have to amend the tariff act in some respects so that we may encourage our shipping. Then, I would encourage railroad connection with the ships; I would aid in that way.

Then I would turn the Lasker propaganda for the sale of our ships into a propaganda to induce the people of the United States to patronize our ships. I am ashamed to note that Government employees—even officials of the United States—when they are compelled to go abroad on business of the Gov-

ernment frequently travel in ships of other nations. That should not be the case; and prevention of that is one thing in this bill that I must say deserves a little commendation, although it is about the only good thing in the bill. I am glad, however, that it has some good in it.

Mr. President, I understand an executive session is desired. I have not quite finished my remarks.

Mr. JONES of Washington. Would the Senator like to conclude his remarks to-night?

Mr. DIAL. No; I have no objection to deferring them until to-morrow.

Mr. JONES of Washington. Very well.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry?

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. WILLIAMS. With a view of determining my own conduct, because I have a slight notion of making a short speech of from three and one-half to five hours—I am not certain which—I should like to inquire of the manager of the bill whether it is contemplated to adjourn very soon or whether it is contemplated to hold a night session?

Mr. JONES of Washington. We do not contemplate a night session to-night, unless the Senator desires to proceed to-night.

Mr. WILLIAMS. Very well; then I will postpone my infliction. I do not desire any particular time for the infliction, because I shall not enjoy it myself, and I shall not take any pleasure in the suffering of the Senate; but I thought that if it were necessary I would impose the infliction to-night, and if it were not necessary I would do so at some time hereafter.

Mr. JONES of Washington. We will not require the Senator to do that to-night.

Mr. WILLIAMS. Very well; then I am perfectly satisfied.

CREDENTIALS OF SENATOR KING.

The VICE PRESIDENT laid before the Senate a certificate of the Governor of Utah certifying to the election of WILLIAM H. KING as a Senator from the State of Utah for the term beginning March 4, 1923, which was read and ordered to be filed, as follows:

STATE OF UTAH, Executive Department.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, A. D. 1922, WILLIAM H. KING was duly chosen by the qualified electors of the State of Utah a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, A. D. 1923.

Witness: His excellency, Gov. Charles R. Mabey, and the great seal of the State of Utah hereto affixed at Salt Lake City, Utah, this 29th day of November, in the year of our Lord 1922.

[SEAL.]

By the governor:

CHAS. R. MABEY.

H. E. CROCKETT, Secretary of State.

REPORTS ON RUSSIAN RELIEF (S. DOC. NO. 277).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and ordered to be printed, and, with the accompanying papers and documents, referred to the Committee on Appropriations:

To the Congress of the United States:

As required by the act of Congress for the relief of the distressed and starving people of Russia, approved December 22, 1921, I transmit herewith reports from the American Relief Administration, the United States Grain Corporation as fiscal agent for the Purchasing Commission for Russian Relief, and the comptroller of the American Relief Administration, which organizations were designated to carry out the provisions of the said act.

WARREN G. HARDING.

THE WHITE HOUSE, December 20, 1922.

APPOINTMENT OF DIRECTORS OF CERTAIN INSTITUTIONS.

The VICE PRESIDENT. Pursuant to the provisions of law governing the choice of directors on the part of the Senate, the Chair hereby appoints the Senator from Michigan, Mr. COUZENS, as a director of the Columbia Institution for the Deaf, and the Senator from Vermont, Mr. DILLINGHAM, as a director of the Columbia Hospital for Women and Lying-in Asylum, both for the term of a single Congress, beginning March 4, 1923.

CLAIMS SETTLED BY THE SHIPPING BOARD (S. DOC. NO. 278).

The VICE PRESIDENT laid before the Senate a report of the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation, made pursuant to law, of claims arbitrated or settled by agreement from October 16, 1921, to October 15, 1922, etc., which was referred to the Committee on Appropriations and ordered to be printed.

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT laid before the Senate a communication from the Quartermaster General of the Army, transmitting a list of American soldier dead returned from overseas, consisting of the remains of six enlisted men to be reinterred in the Arlington National Cemetery December 28, 1922, at 2.30 p. m., which was ordered to lie on the table for the information of the Senate.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives receding from its disagreement to the amendments of the Senate Nos. 2, 5, 19, 24, and 25 to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes, and concurring therein; receding from its disagreement to the amendment of the Senate No. 1 and concurring therein with an amendment as follows: In lieu of the matter proposed by said amendment insert: "Undersecretary of State and the 'counselor for the department' shall hereafter be designated 'Undersecretary of State'"; receding from its disagreement to the amendment of the Senate No. 14 and concurring therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "Provided further, That the automobile purchased from the appropriation for detection and prosecution of crimes for the fiscal year 1923 shall hereafter be for the exclusive use of the Bureau of Investigation under the control of the Attorney General."

Mr. CARAWAY. I would like to ask the Senator from Kansas a question. Last year, when the Attorney General got his \$500,000, he promised us he was going to have the jails so full of profiteers that their legs would be sticking out of the windows. I see that another \$500,000 is asked for. Has he made any report of that first \$500,000?

Mr. CURTIS. The first \$500,000 resulted in the examination of 472 cases by the board, and recommendations for prosecution in over 240 cases. Settlements have been made in two cases, the Government getting back \$1,100,000, and in two others checks have been received, one for \$250,000 and another for \$170,000, in these two cases, and settlement in two or three other cases which will run the amount up to about \$1,700,000.

Mr. CARAWAY. Who has been indicted?

Mr. CURTIS. I do not know who have been. I am not acquainted with the facts.

I move that the Senate concur in the amendments of the House to the amendments of the Senate.

The motion was agreed to.

ADMISSION OF ALIENS UNDER BOND.

Mr. COLT. Mr. President, out of order I ask unanimous consent to report back favorably without amendment from the Committee on Immigration the joint resolution (H. J. Res. 279) to permit to remain within the United States certain aliens admitted temporarily under bond in excess of quotas fixed under authority of the immigration act of May 19, 1921, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The joint resolution was read, as follows:

Resolved, etc., That aliens who entered the United States before March 7, 1922, in excess of quotas fixed under authority of the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921, and were temporarily admitted under bond, may, if otherwise admissible, and if not subject to deportation for other causes, be permitted by the Secretary of Labor to remain in the United States without regard to the provisions of such act of May 19, 1921. In the case of any alien so permitted to remain the bond shall be canceled.

Mr. JONES of Washington. I wish to ask the Senator if it will lead to any discussion.

Mr. COLT. It will not. If it does, I will have it go to the calendar.

The VICE PRESIDENT. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 25 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, December 21, 1922, at 12 o'clock meridian.

NOMINATIONS.

Nominations received by the Senate December 20 (legislative day of December 16), 1922.

MEMBERS OF THE INTERSTATE COMMERCE COMMISSION.

Charles C. McChord, of Kentucky, for a term of seven years, expiring December 31, 1929. (A reappointment.)

Joseph B. Eastman, of Massachusetts, for a term of seven years, expiring December 31, 1929. (A reappointment.)

SOLICITOR OF THE DEPARTMENT OF COMMERCE.

Stephen B. Davis, of New Mexico, to be solicitor of the Department of Commerce, vice William E. Lamb, resigned.

UNITED STATES DISTRICT JUDGES.

Adam C. Cliffe, of Illinois, to be United States district judge, northern district of Illinois. (An additional position created by the act approved September 14, 1922.)

Frederic P. Schoonmaker, of Pennsylvania, to be United States district judge, western district of Pennsylvania. (An additional position created by the act approved September 14, 1922.)

UNITED STATES ATTORNEY.

Edwin A. Olson, of Illinois, to be United States attorney, northern district of Illinois, vice Charles F. Clyne, whose term has expired.

UNITED STATES MARSHAL.

William A. Dollison, of Colorado, to be United States marshal for the district of Colorado, vice Samuel J. Burris, resigned, effective January 1, 1923.

COAST AND GEODETIC SURVEY.

Harry Louis Bloomberg, of New York, to be aid with relative rank of ensign in the Navy, in the Coast and Geodetic Survey, vice Frederick E. Joekel, promoted.

POSTMASTERS.

ALABAMA.

John M. Stapleton to be postmaster at Foley, Ala., in place of L. E. Wolbrink. Incumbent's commission expired September 5, 1922.

ARKANSAS.

Hiram S. Irwin to be postmaster at Clarendon, Ark., in place of J. F. Hurst. Incumbent's commission expired September 5, 1922.

CALIFORNIA.

James F. Trout to be postmaster at Avalon, Calif., in place of J. F. Trout. Incumbent's commission expired September 5, 1922.

George T. Fissell to be postmaster at Davis, Calif., in place of G. T. Fissell. Incumbent's commission expired September 5, 1922.

John V. Van Eaton to be postmaster at El Segundo, Calif., in place of N. M. Ellis, resigned.

George F. Bartley to be postmaster at Escondido, Calif., in place of C. W. Corey. Incumbent's commission expired September 5, 1922.

George H. Gischel to be postmaster at Tracy, Calif., in place of W. T. Tschierschky. Incumbent's commission expired September 5, 1922.

COLORADO.

Joseph A. Measures to be postmaster at Grand Junction, Colo., in place of R. C. Walker. Incumbent's commission expired September 5, 1922.

FLORIDA.

Edgar D. Hogan to be postmaster at Loughman, Fla. Office became presidential July 1, 1922.

Harold J. Engel to be postmaster at New Valparaiso, Fla. Office became presidential July 1, 1922.

GEORGIA.

Frank M. Meaders to be postmaster at Dahlonga, Ga., in place of F. M. Meaders. Incumbent's commission expired September 28, 1922.

John E. Puett to be postmaster at Cumming, Ga., in place of A. G. Hockenhull. Incumbent's commission expired September 28, 1922.

ILLINOIS.

Harry J. Glover to be postmaster at Albion, Ill., in place of Frank Howey. Incumbent's commission expired October 24, 1922.

Thomas Turigliatto to be postmaster at Benld, Ill., in place of P. S. McPherson. Incumbent's commission expired February 4, 1922.

INDIANA.

Rex Hannum to be postmaster at Worthington, Ind., in place of W. H. Beaty. Incumbent's commission expired September 5, 1922.

KENTUCKY.

Robert B. Beadles to be postmaster at Fulton, Ky., in place of J. R. Graham. Incumbent's commission expired October 3, 1922.

William E. Jones to be postmaster at Princeton, Ky., in place of F. K. Wylis. Incumbent's commission expired October 3, 1922.

MASSACHUSETTS.

Elizabeth M. Benere to be postmaster at West Acton, Mass., in place of James Kinsley. Incumbent's commission expired October 1, 1922.

MICHIGAN.

Christine Anderson to be postmaster at Holton, Mich., in place of Herbert O'Connor, resigned.

MINNESOTA.

Edwin Mattson to be postmaster at Breckenridge, Minn., in place of E. H. Mangskau. Incumbent's commission expired September 13, 1922.

MISSOURI.

Eldridge G. Hoff to be postmaster at Stockton, Mo., in place of F. L. Church. Incumbent's commission expired September 5, 1922.

MONTANA.

Harly J. Stephenson to be postmaster at Belgrade, Mont., in place of F. M. Byrne. Incumbent's commission expired September 13, 1922.

Hermon Y. Gard to be postmaster at Brady, Mont., in place of L. C. Woolson. Incumbent's commission expired February 5, 1922.

NEBRASKA.

Edward E. Ely to be postmaster at Milford, Nebr., in place of M. E. Lindeman, deceased.

Elmer G. Watkins to be postmaster at Orleans, Nebr., in place of Robert Dunlay. Incumbent's commission expired October 3, 1922.

NEW HAMPSHIRE.

George L. Crockett to be postmaster at Whitefield, N. H., in place of B. C. Garland. Incumbent's commission expired September 19, 1922.

NEW JERSEY.

Dorothy H. Miller to be postmaster at Essex Fells, N. J. Office became presidential October 1, 1922.

George W. Earl to be postmaster at Tabor, N. J. Office became presidential April 1, 1922.

Thomas F. Zettlemoyer to be postmaster at Sewaren, N. J. Office became presidential October 1, 1922.

NEW YORK.

Olin D. Beers to be postmaster at Freehold, N. Y. Office became presidential January 1, 1921.

Marguerite A. Scruton to be postmaster at Oswegatchie, N. Y. Office became presidential October 1, 1922.

Lewis E. Fredenburg to be postmaster at Afton, N. Y., in place of Daniel Grant. Incumbent's commission expired September 19, 1922.

NORTH DAKOTA.

Jacob A. Phillips to be postmaster at Cleveland, N. Dak., in place of J. A. Phillips. Incumbent's commission expired April 6, 1922.

OHIO.

James Azallion to be postmaster at Laferty, Ohio. Office became presidential October 1, 1921.

Hosea M. Thompson to be postmaster at Ostrander, Ohio. Office became presidential April 1, 1922.

Albert W. Griswold to be postmaster at Georgetown, Ohio, in place of T. B. Richey. Incumbent's commission expired September 19, 1922.

PENNSYLVANIA.

Ida M. Mingle to be postmaster at Birmingham, Pa. Office became presidential October 1, 1922.

Frederick M. Adam to be postmaster at Temple, Pa. Office became presidential October 1, 1920.

Horace W. Wickersham to be postmaster at Thompsontown, Pa., in place of O. W. Kaegel. Incumbent's commission expired September 26, 1922.

George W. Correy to be postmaster at Milton, Pa., in place of Edward Weidenhamer, resigned.

Paul C. Rupp to be postmaster at Pitcairn, Pa., in place of M. D. Salyards. Incumbent's commission expired September 26, 1922.

PORTO RICO.

John L. Gay to be postmaster at San Juan, P. R., in place of R. A. Rivera, removed.

SOUTH CAROLINA.

Mortimer R. Sams to be postmaster at Jonesville, S. C., in place of R. W. Scott. Incumbent's commission expired September 19, 1922.

SOUTH DAKOTA.

Frank D. Beste to be postmaster at Corsica, S. Dak., in place of F. B. Boyle. Incumbent's commission expired September 11, 1922.

TENNESSEE.

Charles K. Metcalf to be postmaster at National Sanatorium, Tenn. Office became presidential October 1, 1922.

Joseph M. Dudney to be postmaster at Gainesboro, Tenn., in place of F. L. Tardy. Incumbent's commission expired May 10, 1922.

TEXAS.

John L. Dillon to be postmaster at Leonard, Tex., in place of A. L. Melton. Incumbent's commission expired September 5, 1922.

Arthur A. McNeil to be postmaster at Moody, Tex., in place of W. H. McCurdy. Incumbent's commission expired September 5, 1922.

William Tays to be postmaster at New Braunfels, Tex., in place of J. E. Abrahams. Incumbent's commission expired April 6, 1922.

James M. Campbell to be postmaster at Strawn, Tex., in place of C. E. Maxwell. Incumbent's commission expired July 21, 1921.

UTAH.

Walter O. Lundgreen to be postmaster at Monroe, Utah, in place of O. C. Larsen. Incumbent's commission expired September 26, 1922.

VIRGINIA.

Haynie S. Robertson to be postmaster at Blackstone, Va., in place of J. M. Harris. Incumbent's commission expired September 13, 1922.

Edwin L. Toone to be postmaster at Boydton, Va., in place of E. L. Toone. Incumbent's commission expired July 21, 1921.

Charles R. Whitmore to be postmaster at Broadway, Va., in place of S. M. Williams. Incumbent's commission expired September 13, 1922.

WASHINGTON.

William R. Cox to be postmaster at Pasco, Wash., in place of A. A. Barnes. Incumbent's commission expired October 14, 1922.

WISCONSIN.

Blanch Lyon to be postmaster at East Ellsworth, Wis. Office became presidential January 1, 1921.

WYOMING.

Hubert S. Ladd to be postmaster at Hudson, Wyo. Office became presidential January 1, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 20 (legislative day of December 16), 1922.

UNITED STATES CIRCUIT JUDGE.

John C. Rose to be circuit judge, fourth circuit.

DEPARTMENT OF COMMERCE.

COAST AND GEODETIC SURVEY.

Edward Perry Morton to be aid.

POSTMASTERS.

ALABAMA.

Frank F. Crowe, Montevallo.

GEORGIA.

Luther W. Vickery, Lavonia.

Clifton O. Lloyd, Lindale.

Andrew H. Staples, Metter.

George H. Broome, Pavo.

INDIANA.

Fred Austin, Birdseye.

Oliver A. Potter, Geneva.

Louis T. Heerman, Syracuse.

Lee Herr, Tell City.

KANSAS.

Maud Williams, Lenexa.

MASSACHUSETTS.

Henry L. Pierce, Barre.

Lucius E. Estey, Brookfield.

Charles J. Dacey, Conway.

Horace W. Collamore, East Bridgewater.

Henry L. Ripley, Edgartown.

Thomas J. Murray, Prides Crossing.

William C. Temple, Rutland.

Douglas H. Knowlton, South Hamilton.

George A. Wilder, Townsend.

Walter C. Ring, Woronoco.

MICHIGAN.

Elmer E. Geer, Halfway.

MISSISSIPPI.

Neppie R. Lockwood, Crystal Springs.

MISSOURI.

Benonia F. Hardin, Albany.

Robert W. Raines, Glasgow.

Catherine A. McSwiney, Normandy.

NEW MEXICO.

Maud W. Lenfesty, Aztec.

Augustin F. Sisneros, Espanola.

James A. Shipley, Silver City.

OKLAHOMA.

Ward Guffy, Cleveland.

Clarence S. Brigham, Cushing.

PENNSYLVANIA.

Effie P. Corts, Karns City.

William H. Lowry, Ligonier.

Lena E. Gould, McClellandtown.

RHODE ISLAND.

May B. Lamb, Greenville.

Bertha M. Brayton, Hope.

TENNESSEE.

Charles H. Bewley, Greeneville.

Alfred M. Agee, Lafollette.

Joseph R. Mitchell, Mascot.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, December 20, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thy revelations are so merciful and gracious that we are unequal to the task of definition, but read our hearts and accept their offerings. The Lord bestow upon our country blessings of peace, plenty, and prosperity. Make these days for all the gladdest days in all the year, and may we have the spirit of Him who sees what others see and feels what others feel. Oh, may a great wave of good will sweep over our land and let the converting, controlling, and restoring Spirit of God come to the world and make it new and fresh and clean. Amen.

The Journal of the proceedings of yesterday was read and approved.

PENSIONS.

Mr. FULLER. Mr. Speaker, yesterday I presented a conference report upon the bill (S. 3275) granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, for printing under the rule. I find that there is a mistake in the printed report, and I now ask unanimous consent to withdraw the report printed in the RECORD of yesterday, and to resubmit the corrected report and have it printed under the rule.

The SPEAKER. Without objection, the first report will be withdrawn, and the gentleman submits a new report to be printed under the rule.

There was no objection.

SCRAPPING OF NAVAL VESSELS.

Mr. BUTLER. Mr. Speaker, I ask unanimous consent to print in the RECORD the reply of the Secretary of the Navy to House Resolution 457, in respect to compliance with the agreement reached upon the scrapping of naval vessels.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing therein the statement of the Secretary of the Navy referred to. Is there objection?

There was no objection.

The statement is as follows:

(No. 188.)

REQUESTING THE SECRETARY OF THE NAVY, IF NOT INCOMPATIBLE WITH THE PUBLIC INTEREST, TO COMMUNICATE TO THE HOUSE OF REPRESENTATIVES FULL INFORMATION TOUCHING THE NUMBER OF VESSELS OF WAR THAT HAVE BEEN SCRAPPED OR DISPOSED OF BY THE UNITED STATES AND OTHER POWERS WHO WERE PARTICIPANTS IN THE CONFERENCE ON THE LIMITATION OF ARMAMENT SINCE THE ADJOURNMENT OF THAT CONFERENCE.

(H. Res. 457.)

DEPARTMENT OF THE NAVY,
Washington, December 14, 1922.

MY DEAR MR. BUTLER: Referring to information requested in House Resolution 457 of December 1, 1922, requesting the Secretary of the Navy, if not incompatible with the public interest, to communicate to the House of Representatives full information touching the number of vessels of war that have been scrapped or disposed of by the United States and other powers who were participants in the Conference on the Limitation of Armament since the adjournment of that conference, and including vessels of war, whether defined by any treaty signed at that conference or not, I am sending you such information as I possess for transmittal to the House of Representatives. The information follows:

UNITED STATES.

Ships required to be scrapped under terms of treaty:

The *Maine* and *Missouri* have been sold and are being broken up by the purchaser.

All completed battleships required to be scrapped are out of commission except the *Connecticut*, which will soon be placed out of commission.

The *Delaware* and *North Dakota* are not required to be scrapped until the *Colorado* and *West Virginia* are completed.

No steps have been taken to comply with Article III, part 2 (b) of the treaty in the case of the *Oregon* and *Illinois*.

Work has been suspended on vessels under construction.

SHIPS NOT DEFINED BY THE TREATY.

Since February 6, 1922, the following ships have been sold or otherwise disposed of: One destroyer, 2 monitors, 1 dynamite gun vessel, 25 submarines, 1 gunboat.

The above list does not include vessels stricken from the Navy list since February 6, 1922, but not yet sold.

GREAT BRITAIN.

Ships required to be scrapped under terms of the treaty:

Broken up: *St. Vincent*, battleship; *Inferible*, battle cruiser; *Temeraire*, battleship.

Sold (to be broken up or rendered unfit for warlike purposes under terms of treaty): *Bellerophon*, battleship; *Commonwealth*, battleship; *Hercules*, battleship; *Dreadnought*, battleship; *Indomitable*, battle cruiser; *Neptune*, battleship; *Gollingwood*, battleship.

Sold (not yet completely dismantled): *Superb*, battleship.

Ready for sale (mutilations completed at dockyard): *Orion*, battleship; *New Zealand*, battle cruiser.

Being prepared for sale (mutilations being carried out at dockyards), with estimated date of completion of mutilations: *Monarch*, battleship, October 14, 1922; *Conqueror*, battleship, November, 1922; *Princess Royal*, battle cruiser, November, 1922; *Aguincourt*, battleship, November, 1922; *Erin*, battleship, December, 1922; *Lion*, battle cruiser, end of December, 1922.

The status of the *Colossus* and *Agamemnon* is unknown, except that the *Agamemnon* is being used as a target ship.

The Australian Government has decided to scrap the battle cruiser *Australia*.

Following ships have been sunk: One cruiser, 1 destroyer, 1 submarine.

Following ships not affected by the treaty have been sold since February 6, 1922: Two cruisers, 4 light cruisers, 6 destroyers, 2 torpedo boats, 24 submarines.

This does not include ships on the disposal list but not sold.

JAPAN.

Ships required to be scrapped under terms of treaty:

Certain preliminary work of removal of guns and turrets, and in some cases removal of armor and engines, is being done on the battleships *Hizen*, *Ikoma*, *Ibuki*, *Mikasa*, *Kashima*, *Katori*, and *Kurama*.

The battleships *Satsuma*, *Aki*, and *Settsu* have been placed in the fourth reserve.

Work has been suspended on the battleships *Kaga* and *Tosa* and the battle cruisers *Amagi*, *Akagi*, *Atago*, and *Tako*. No work had been done on the last two except to lay the keels. Work on the machinery of the battle cruisers *Amagi* and *Akagi* is proceeding with the evident intention of completing these ships as aircraft carriers as permitted under the treaty.

The Japanese ministry of marine has stated that while work preliminary to scrapping will be done the hulls will not be broken up or sunk until the treaties have been ratified by all the powers.

SHIPS NOT DEFINED BY TREATY.

The following were removed from the effective list on March 28, 1922: One battleship, 1 mine layer, 3 coast defense ships, 1 cruiser, 1 gunboat, 9 small destroyers, 5 submarines, 13 torpedo boats.

Of the above only the battleship is definitely known to have been disposed of.

The following has been wrecked: One light cruiser.

FRANCE.

Ships required to be scrapped under terms of the treaty: France is not required to scrap any completed ships. One of the ships she was permitted to retain, the *France*, has been wrecked. France had five battleships under construction at the beginning of the war that have not been completed. It is proposed to complete one of these, the *Bearn*, as an aircraft carrier. Under the treaty another could be completed to replace the *France*. No steps, so far as known, have been taken to dispose of these ships.

SHIPS NOT DEFINED BY TREATY.

Since February 6, 1922, the following have been disposed of: One battleship, 2 armored cruisers, 2 light cruisers, second line, and 9 torpedo boats.

ITALY.

Ships required to be scrapped under terms of treaty:

Italy is not required to scrap any completed ships under the treaty. The battleship *Caracciolo*, under construction, has been disposed of, and the contracts for the battleships *Colombo*, *Colonna*, and *Morosini* annulled.

The battleship *Leonardi da Vinci*, which Italy may retain under the treaty and which was salvaged after sinking, will not be reconstructed.

SHIPS NOT DEFINED BY THE TREATY.

Italy has not disposed of any vessels of war since the adjournment of the conference.

Sincerely yours,

EDWIN DENBY.

HON. THOMAS S. BUTLER,
Chairman Committee on Naval Affairs,
House of Representatives.

[H. Res. 457, Sixty-seventh Congress, third session.]

Resolved, That the Secretary of the Navy be, and he is hereby, requested, if not incompatible with the public interest, to communicate to the House of Representatives full information touching the number of vessels of war that have been scrapped or disposed of, by the United States and other powers who were participants in the Conference on the Limitation of Armament, since the adjournment of that conference, and including vessels of war whether defined by any treaty at that conference or not.

[House Rept. No. 1266, Sixty-seventh Congress, fourth session.]

The Committee on Naval Affairs of the House of Representatives, to whom was referred the resolution requesting certain information from the Navy Department regarding the number of vessels of war that have been scrapped or disposed of by the United States and other powers, who were participants in the Conference on the Limitation of Armament, since the adjournment of that conference, having had the same under consideration, report the resolution favorably without amendment and recommend that it do pass.

The resolution meets with the approval of the Navy Department, as shown by the following letter from the Secretary of the Navy, which is made a part of this report:

NAVY DEPARTMENT,
Washington, December 6, 1922.

THE CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
House of Representatives.

MY DEAR MR. CHAIRMAN: Replying to the committee's letter of December 4, inclosing H. Res. 457 re vessels of war that have been scrapped or disposed of by the United States and other powers who were participants in the Conference on the Limitation of Armament, I have the honor to inform you as follows:

This department has no objection to the passage of the resolution in question. While full information touching the number of vessels of war that have been scrapped or disposed of by the United States is completely available, the information regarding other powers who were participants in the Conference on the Limitation of Armament will be as nearly accurate as it is possible to be ascertained by the Office of Naval Intelligence.

The compilation of information called for by the resolution will be immediately undertaken and forwarded to the Committee on Naval Affairs of the House of Representatives as soon as completed, if possible by Friday, December 8, 1922.

Sincerely yours,

EDWIN DENBY,
Secretary of the Navy.

SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES—CONFERENCE REPORT.

Mr. UNDERHILL. Mr. Speaker, I call up the conference report upon the bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case and move its adoption.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

G. W. EDMONDS,
JAMES P. GLYNN,
Managers on the part of the House.

ARTHUR CAPPER,
PARK TRAMMELL,
F. R. GOODING,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The amendment of the Senate numbered 1 defines that the word "employee" shall include enlisted men in the Army, Navy, and Marine Corps.

The amendment numbered 2 makes the settlement of claims retroactive to April 6, 1917.

G. W. EDMONDS,
JAMES P. GLYNN,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

DAMAGES ARISING FROM COLLISIONS WITH NAVAL VESSELS—CONFERENCE REPORT.

Mr. UNDERHILL. Mr. Speaker, I call up the conference report upon the bill (H. R. 5349) to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels and move the adoption of the same.

The SPEAKER. The Clerk will read the conference report. The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5349) to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

G. W. EDMONDS,
JAMES P. GLYNN,
Managers on the part of the House.
ARTHUR CAPPER,
PARK TRAMMELL,
F. R. GOODING,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5349) to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The amendment changes the amount from \$1,000 to \$3,000.

G. W. EDMONDS,
JAMES P. GLYNN,
Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. STAFFORD. Will the gentleman in a word give some explanation as to the effect of the Senate amendment to which the House conferees have agreed?

Mr. UNDERHILL. It is to increase from \$1,000 to \$3,000 the amount which the Navy Department can settle for or allow suit on in damages resulting from collisions with naval vessels.

Mr. STAFFORD. I understand that the Senate amendment was originally \$5,000 and the House provision \$1,000. The conferees have agreed upon \$3,000 as the maximum amount on which the Navy Department may settle in case of collision where they are at fault?

Mr. UNDERHILL. That is correct.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

LIZZIE ASKELI—CONFERENCE REPORT.

Mr. UNDERHILL. Mr. Speaker, I call up the conference report upon the bill (H. R. 3034) for the relief of Lizzie Askel, and move its adoption.

The SPEAKER. The Clerk will read the conference report. The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3034) for the relief of Lizzie Askel, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,
Managers on the part of the House.
ARTHUR CAPPER,
PARK TRAMMELL,
F. R. GOODING,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3034) for the relief of Lizzie Askel submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The amount is reduced from \$5,000 to \$2,500.

G. W. EDMONDS,
JAMES P. GLYNN,
H. B. STEAGALL,
Managers on the part of the House.

Mr. UNDERHILL. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

REPORT OF CONDITION OF NATIONAL BANKS.

Mr. McFADDEN. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 8996) to amend paragraph 440, section 5211, act of June 3, 1864, with Senate amendments thereto, and move to agree to the Senate amendments.

The SPEAKER. The gentleman from Pennsylvania calls up from the Speaker's table a House bill with Senate amendments. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments.

Mr. McFADDEN. Mr. Speaker, I move to concur in the Senate amendments.

The motion was agreed to.

JANE ROME.

Mr. IRELAND. Mr. Speaker, I present the following privileged report from the Committee on Accounts, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 472 (Rept. No. 1303).

Resolved, That there shall be paid, out of the contingent fund of the House, to Jane Rome, widow of John Rome, late an employee of the House of Representatives on the soldiers' roll, a sum equal to six months of his compensation as said employee, and an additional amount, not exceeding \$250, to defray the expenses of the funeral of said John Rome.

Mr. IRELAND. Mr. Speaker, John Rome was the oldest employee on the soldiers' roll of the House, having served continuously from the 1st of August, 1878, until November 6 of this year. This is the usual resolution, and I move its adoption.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes on the matter of procedure.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, when the gentleman from Iowa [Mr. GREEN] called up the resolution submitting a constitutional amendment touching tax-exempt securities yesterday, it was with the understanding that the matter would be disposed of during the day. It was not possible to so dispose of it, and I do not believe we are justified in giving further time to the subject at this time, and thus delay the program of the appropriation bills. Having talked the matter over with gentlemen interested, the gentleman from Minnesota [Mr. ANDERSON] will this morning ask for recognition to call up the Agricultural appropriation bill. In that connection, Mr. Speaker, may I suggest that we hope to dispose of the Agricultural appropriation bill, the Interior Department appropriation bill, and the Post Office appropriation bill before the new year.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. I will yield.

Mr. GARRETT of Tennessee. The gentleman did not confer with me about dispensing with further consideration at this time of the constitutional amendment, but it is satisfactory.

Mr. MONDELL. I felt confident it would be, Mr. Speaker. I do, however, apologize, because I ordinarily do confer with the gentleman from Tennessee. He is always kindly disposed.

Mr. GARNER. Will the gentleman yield for a question?

Mr. MONDELL. I will yield.

Mr. GARNER. Can the gentleman tell us about when the resolution will be called up, if at all?

Mr. MONDELL. Well, my present thought is that it would probably be called up about the second week in January, providing that in the meantime the gentleman from Texas prints his speech of yesterday in order that we may know what his arguments are before we take the resolution up again. [Laughter and applause.]

Mr. GARNER. I want to say, if the gentleman will permit, if the withholding of the speech will withhold the consideration of the resolution, I shall withhold it.

Mr. MONDELL. Well, we are all anxious and pining to know what the gentleman's arguments were. Unfortunately, I was unable to be present in the Chamber when his speech was delivered, and I am anxious to read his arguments.

Mr. GARNER. I want to say to the gentleman if the calling up of this resolution is conditioned on printing the speech in the RECORD, it will not be called up the balance of this Congress, and I doubt if it will be.

Mr. MONDELL. Does the gentleman desire further time in which to change his speech before inserting it in the RECORD?

AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13481), the Agricultural appropriation bill; and, pending that, I should like to have some agreement with the gentleman from Texas [Mr. BUCHANAN] in regard to general debate. How much time does the gentleman from Texas want on that side?

Mr. BUCHANAN. I desire, so far as requests have been filed with me, an hour and a half.

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that general debate on the Agricultural appropriation bill be limited to three hours, one half to be controlled by the gentleman from Texas [Mr. BUCHANAN] and the other by myself.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that general debate on the Agricultural bill be limited to three hours, one-half to be controlled by the gentleman from Texas [Mr. BUCHANAN] and one-half by himself. Is there objection? [After a pause.] The Chair hears none. The question is on the motion that the House resolve itself into the Committee of the Whole House on the state of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13481, with Mr. HICKS in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13481, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ANDERSON. Mr. Chairman, I wish the Chair would notify me when I have used 20 minutes, if I use that much.

Mr. Chairman, the total annual appropriations for the Department of Agriculture for the current fiscal year amounted to \$46,929,173. Of this amount \$10,000,000 was appropriated for road construction. The amount recommended in this bill is \$68,781,553, and of this amount \$29,300,000 is appropriated for road construction. That resulted in the following situation with respect to the regular estimates. Eliminating the appropriation for the construction of roads under authorizations previously made by Congress the pending bill carries appropriations amounting to \$449,940 in excess of the estimates made by the Bureau of the Budget. It carries \$440,620 less than the current appropriation bill. That situation results largely from the policy adopted by the committee with respect to a small

number of items under which work has been and is being carried on by the Agricultural Department toward a very definite end. For example, since about 1918 the Department of Agriculture has been engaged in the program of eradicating the barberry bush as a means of stopping epidemics of black rust which affects not only wheat but a large number of other grain crops. Last year we increased the amount of appropriation from approximately \$150,000 to \$350,000. The Budget Bureau reduced the amount from \$350,000 to \$200,000 in the current estimates. The committee felt that, inasmuch as this work was proceeding toward the definite end of the eradication of the barberry and hence of black rust, and in view of the fact that appropriations in aggregate to accomplish the work will depend somewhat upon the length of time that it takes to complete the job, it would be real economy to place it on a basis of the appropriation of last year. It is estimated that with an appropriation of \$200,000 it will take six and a half years to complete the work with a total appropriation of \$1,375,000. At the rate of \$350,000 a year it will take two and a half years with an approximate expenditure of \$1,025,000, while at \$500,000 it will take approximately a year and a half with an appropriation of \$900,000 in the aggregate. The committee felt therefore it would be real economy to continue the appropriations on the basis of the current fiscal year. We did not feel justified in increasing the amount beyond the amount carried in the current appropriation bill. And in that same way the committee restored the item for the eradication of cattle ticks to the figure of this year which was reduced in the Budget estimate by \$160,000.

In that work the Bureau of Animal Industry has now eradicated the cattle tick from about 70 per cent of the territory originally infested. That work is proceeding along the line of a definite program of eradicating the tick altogether from this country. There will be no economy whatever, in the view of the committee, in reducing the appropriation for this purpose, because of the longer time it will take to complete the job, and the possibility, and perhaps the probability, of reinfestations of territory already cleaned, which are always a menace so long as the cattle tick remains in the country at all.

Much the same policy was followed in the case of the appropriations for the soil survey and for farmers' cooperative demonstrations.

The bill carries provision for the completion of the program of reorganization of the department, which was begun last year. The work of the Department of Agriculture falls into substantially three classes—research, regulation, and extension. Last year we created in this bill a director of research and a director of regulatory work, and under these two directors the work of research and the work of regulation have been coordinated. We complete that reorganization this year by creating a director of extension. Under this director the work which is of the character of extension work will all be concentrated. This will result in taking from the Division of Publications the office of exhibits and the office of motion pictures and making these offices a part of the extension service. The office of home economics is taken out of the States Relations Service and made a separate bureau under the title of Bureau of Home Economics.

I want to refer to just one other matter, and then I shall be through, unless some one wants to ask me questions about some items in the bill. That is the appropriation for road construction. Under the act of November 9, 1921, Congress authorized an appropriation of \$65,000,000 this year for the construction of roads. The pending bill authorizes the Secretary of Agriculture to allot the full amount of the authorization of \$65,000,000 to the States and to enter into contractual obligations with the States for the highway construction contemplated under that authorization. The bill, however, does not carry a total appropriation of \$65,000,000. It carries an appropriation of \$29,300,000, that being the sum which it is estimated will be withdrawn from the Treasury during the next fiscal year on account of this authorization.

Gentlemen will understand, of course, that there is a lag of from 6 to 18 months between the time when the sums authorized to be expended by Congress are allotted to the States and the time when the withdrawal of the sums from the Treasury becomes necessary. Consequently, it is not necessary now to provide an appropriation of the total \$65,000,000 authorized under this act for the fiscal year.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield for a question?

Mr. ANDERSON. Yes.

Mr. MOORE of Virginia. Looking at the hearings, on page 374, it would seem that the statement of the gentleman is not consistent with the statement made by Mr. MacDonald, of the

Highway Bureau. The latter appears to think that it is necessary to make a larger appropriation in order to meet the needs of the States in the coming fiscal year.

Mr. ANDERSON. Perhaps the gentleman did not understand the statement I made. I dealt only with the authorization of \$65,000,000 for the next fiscal year. I did not deal at all either with the allotment which had been made under prior authorizations or the authorization of \$50,000,000 for this fiscal year. It will be necessary unquestionably to make an additional appropriation to cover the obligations which will be incurred and which will mature in the next fiscal year under the authorization of 1923. That is what Mr. MacDonald referred to in his statement. He makes the statement that it will be necessary to make an appropriation of \$50,000,000.

Mr. MOORE of Virginia. Of course the gentleman is more familiar with the matter than I. I have only seen the report of the hearings within the last few minutes. But in making his statement these are the concluding words of Mr. MacDonald:

This program, however, will not enable the States to proceed on so extensive a road-building program as they have been carrying during the last three fiscal years.

Mr. ANDERSON. Even with the \$30,000,000 appropriated?

Mr. MACDONALD. With the entire \$65,000,000 appropriated there would not be a sufficient amount to pay the States the sums that we paid them during the past fiscal year. That is, there is no question but what a number of States, proceeding as in the past, will need to draw their proportion of the entire \$65,000,000.

Mr. ANDERSON. That is unquestionably true, but that arises primarily not from the fact that the appropriations have not been made, but on account of the fact that the authorizations contained in the act of November, 1921, were relatively less than the appropriations that we had previously made.

This is the situation that arises also: It has been the custom of the Bureau of Public Roads, under a decision made by the solicitor or by the comptroller—I do not now recall which—to segregate the sums allotted to each State, so that instead of having one sum out of which payments could be made to meet any maturing obligation we had 48 accounts, and if one State's program of road construction advanced more rapidly than others it exhausted its allotment of the fund before other States exhausted theirs. In consequence they have always had a very large balance in the roads fund, although some of the States have actually been confronted with the slowing up of their program because their particular allotment had been exhausted.

Now, I think that can be reached, and I understand it will be reached in a deficiency bill soon to be reported by a provision which makes all of the sums appropriated under all of the acts available as one fund, so that the States which are progressing on their road program can withdraw the total amount allotted to them up to the current period without reference to what may be done by other States which are lagging behind in their programs.

Mr. MOORE of Virginia. May I ask the gentleman another question?

Mr. ANDERSON. Surely.

Mr. MOORE of Virginia. As I understand, the last road act authorized the appropriation of \$65,000,000 for the fiscal year ending June 30, 1924. Is that correct?

Mr. ANDERSON. For the year 1924.

Mr. MOORE of Virginia. Do I understand that \$65,000,000 will be actually available for expenditure by the States during the year 1924?

Mr. ANDERSON. No; the allotments of that sum will be made and the Government will enter into contractual obligations with the States for the full amount. Now, only a portion of those obligations will mature, so as to require actual withdrawals from the Treasury during the next fiscal year. So we are only providing in this bill for the amount which will mature and require actual withdrawals during the fiscal year; but any State that wants to go ahead with its program up to the amount of its allotment during the fiscal year will be entirely able to do that.

Mr. BANKHEAD. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. BANKHEAD. Does the chairman anticipate that it will be necessary to make actual appropriations during the fiscal year 1923-24 larger than the amount carried in this bill? If so, will that be done by a deficiency appropriation?

Mr. ANDERSON. I think a deficiency appropriation will have to be made to cover withdrawals which will take place as a result of the authorizations for the current fiscal year. The \$29,300,000 which we are appropriating here will, I think, cover all withdrawals which will result from the authorization of \$65,000,000 for the next fiscal year.

Mr. BANKHEAD. But if authorizations should be made for the full amount of \$65,000,000 there will be no question

that ample provision will be made to take care of it out of the Federal Treasury when the allotments become due?

Mr. ANDERSON. No question whatever.

Mr. LAZARO. Will the gentleman yield?

Mr. ANDERSON. I yield to the gentleman from Louisiana.

Mr. LAZARO. Will the gentleman kindly state the reason why we have changed from 48 State funds to one?

Mr. ANDERSON. The reason is this: With 48 State funds there is always a large sum in the Treasury which remains idle, because the programs of the States do not progress at the same rate. The idea was to put them all in one fund, both to minimize the amount of bookkeeping necessary and to avoid keeping in the Treasury a considerable balance from year to year which was not used.

Mr. LAZARO. And then, too, it punishes the States that are a little slow in coming forward, does it not?

Mr. ANDERSON. No; it will not do that at all, because as soon as a State comes forward the money will be there for it.

Mr. LAZARO. Provided we appropriate enough as we go forward.

Mr. ANDERSON. We will do that.

Mr. SINNOTT. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. SINNOTT. Will the gentleman explain the appropriation of \$3,000,000 for forest roads and trails, and will the gentleman state why that appropriation is made \$3,000,000 instead of \$6,500,000?

Mr. ANDERSON. That is exactly in the same situation, as I understand it. We undertake to cover here only the actual withdrawals of funds which will arise during the fiscal year under the authorizations, without in any way interfering with the right of the States to the total amount of the authorization.

Mr. HILL. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. HILL. On page 79 of the bill is an appropriation of \$103,600 to carry into effect the provisions of the grain futures act. On page 505 of the hearings the chairman of the committee [Mr. ANDERSON] asked if that act were yet in force. The statement was made that it was inoperative just now. I should like to ask the chairman will that act become operative before a decision has been handed down by the Supreme Court? Is that what is holding it up?

Mr. ANDERSON. That is what is holding it up.

Mr. HILL. And this appropriation is for the administrative end of it, but it will not become effective until the constitutionality of the act is decided.

Mr. ANDERSON. My recollection is that during the current year they are using a small amount of the appropriation simply on the administrative end pending the decision as to the constitutionality of the act. That will continue to be the situation until the constitutionality of the act is determined.

Mr. HILL. It is not contemplated then to put the full administrative machinery into effect until the constitutionality of the act is decided?

Mr. ANDERSON. No.

Mr. HILL. Does this appropriation include any expenditures for testing the constitutionality of the act or for the legal enforcement of the penalties and that sort of thing?

Mr. ANDERSON. No.

Mr. LOWREY. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. LOWREY. What is the policy set forth in this bill in regard to agricultural extension work through the agricultural colleges? Is it enlarged or diminished or not changed?

Mr. ANDERSON. We continue the appropriation upon exactly the same basis as that for the current fiscal year, neither increasing nor diminishing the amount. The Bureau of the Budget recommended reducing the appropriation by \$50,000, but we did not agree to that reduction.

Mr. LEATHERWOOD. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. LEATHERWOOD. Does the gentleman feel that the amount of \$3,000,000 carried in the appropriation bill will permit construction work to proceed as outlined in the various national forest programs?

Mr. ANDERSON. I think so. That is as near as the Office of Public Roads and the rest of us could get at the probable withdrawals. If the amount should be larger than that under the authorizations it will be taken care of promptly in deficiency appropriations.

Mr. LEATHERWOOD. It will not need any curtailment, then?

Mr. ANDERSON. Not at all. It is not contemplated at all.

Mr. ARENTZ. The people of the West, of course, are very much interested in this appropriation and in the program of road building that has been placed before the heads of the proper departments. I understand the gentleman to say it is his opinion that this will not be curtailed, but that the program will be carried out, and if not the money will be still available?

Mr. ANDERSON. The plan is to go ahead with the program on the basis of the total authorization of \$6,500,000. We withdraw from the Treasury only the amount which will probably be required for the next fiscal year. However, if additional amounts should be required the obligations will have been created and they can be taken care of as deficiencies.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. WHITE of Maine. The bill contains an item of \$200,000 to provide means for the control and prevention of the spread of the European corn borer?

Mr. ANDERSON. Yes.

Mr. WHITE of Maine. Will the gentleman make a brief statement as to the success with which the department is meeting in that work, or as to the spread of the pest?

Mr. ANDERSON. There are three major infestations, one in the territory around Boston, one in eastern New York, and one in northern Ohio and southern Michigan and western New York around Lake Erie. It has not been possible to prevent the spread of the corn borer in the Massachusetts and New England area owing to the fact that it infests all sorts of hollow-stemmed plants. It gets into the weeds alongside the garden plots and it has been impossible to eradicate it except by burning with gas flame or with chemicals of some sort. It has not been possible to control it entirely in the New England area, and probably will not be. In the area around Lake Erie there has been a very small spread of the insect in the United States but a considerable spread northeastward into Canada. The infestation is very light, indeed. The probabilities are that it will be held in control in that territory for many years to come.

The CHAIRMAN. The gentleman from Minnesota has occupied 20 minutes.

Mr. KINCHELOE. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. KINCHELOE. There was authorized in the last Post Office appropriation bill for good roads an appropriation of \$50,000,000 for 1923 and \$65,000,000 for 1924. If I understand in looking over the bill, you make no appropriation of any part of the \$50,000,000 for 1923?

Mr. ANDERSON. No; we will have to take care of that by a deficiency.

Mr. KINCHELOE. Mr. MacDonald, the head of the good roads improvement, insists that it is very important that this work should go on.

Mr. ANDERSON. I think I can give the gentleman assurance that a deficiency bill will be brought in in a few days covering the withdrawals under the \$50,000,000 authorization.

Mr. KINCHELOE. Does the gentleman differ with Mr. McDonald that it is needed immediately?

Mr. ANDERSON. His statement was predicated upon the continuance of the present policy of allotting the appropriations to the States as 48 separate funds.

Mr. KINCHELOE. The gentleman says that he will bring in this appropriation in a deficiency bill as needed, but I can not understand how Mr. MacDonald, the head of the road department, can close up the various contracts with the States when he does not know whether the money will be available when the money is really needed.

Mr. ANDERSON. If the Congress of the United States authorizes Mr. MacDonald to enter into a contract with the several States, the Congress of the United States will make the appropriation.

Mr. KINCHELOE. But you are not doing it in this bill. Suppose we adjourn on March 4 and contracts are made during the summer and we do not meet until December?

Mr. ANDERSON. We will not adjourn on the 4th of March without taking care of it.

Mr. HAYDEN. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. HAYDEN. On page 80 there is appropriated for forest roads and trails under provisions of section 23 of the Federal highway act \$3,000,000. How did the committee arrive at that \$3,000,000 necessary for the purpose during the next fiscal year?

Mr. ANDERSON. The committee took the word of the Chief of the Bureau of Public Roads for the amount of the withdrawals.

Mr. HAYDEN. I was unable to find anything in the hearings as to that, and I supposed it was merely an arbitrary guess on the part of the Director of the Budget.

Mr. ANDERSON. I think not.

Mr. HAYDEN. The gentleman thinks that not more than \$3,000,000 will be withdrawn?

Mr. ANDERSON. Of course, we can not be absolutely accurate, but on the basis of what we know have been the requirements this amount would seem to be sufficient; but if it is not, it will certainly run until next December, when a deficiency can be brought in.

Mr. HAYDEN. The proviso gives the Secretary the right to enter into contractual obligations of the Federal Government for the payment of the cost of the project?

Mr. ANDERSON. Yes.

Mr. McKENZIE. Will the gentleman yield?

Mr. ANDERSON. I will, although I have consumed the time I had allotted to myself and am now speaking in the time of other gentlemen.

Mr. McKENZIE. I wish to ask the gentleman a question about the corn-borer appropriation. As I understand it, it is quite prevalent in Canada. The gentleman has stated the different localities on our northern border where it is prevalent. It is my understanding that in that locality this particular pest only lives one generation.

Mr. ANDERSON. That is true in northern Michigan and Ohio, but it is not true in New England.

Mr. McKENZIE. If it gets into the Corn Belt of Indiana, Illinois, and Iowa there will be two generations, and it will be absolutely impossible to control it, and therefore it is the purpose, as I understand, of the committee to make every effort to hold this pest in the locality where it is now.

Mr. ANDERSON. It is the policy of the committee to give them every dollar they said was necessary to put into effect every measure for the control of this pest.

Mr. TREADWAY. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. TREADWAY. Will the chairman state what, if any, active cooperation there is between the Federal authorities and the State as regards the eradication and control of the corn borer.

Mr. ANDERSON. I can not give the gentleman offhand the amount actually appropriated by the States. If the gentleman will remember, last year a proviso was agreed to that made \$75,000 of the appropriation contingent on the subscription of an equal amount by the States.

Mr. TREADWAY. That does not appear in this bill.

Mr. ANDERSON. I think it does.

Mr. TREADWAY. Does the item of \$200,000 depend on the cooperation of the States?

Mr. ANDERSON. No; not the full sum, but \$75,000 of it does.

Mr. TREADWAY. Just one other reference along that same line. To what extent does the department feel that the spread is under any fair amount of control, particularly in Massachusetts or in New England?

Mr. ANDERSON. It has not been possible to control completely the spread of the insect in New England, and probably will not be.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. BLANTON. I realize, of course, that the gentleman's committee is an appropriating committee and not a legislative committee. But what has the committee done with regard to effecting a better marketing system? I notice, with regard to the radio distribution of market news, there are only five cities that broadcast this radio information—Boston, New York, Philadelphia, Pittsburgh, and Chicago. The gentleman is very much interested in enlarging that, is he not?

Mr. ANDERSON. There is no restriction upon the number of cities which can take advantage of the broadcasting of market news. I think the gentleman probably has reference to the leased-wire service rather than to the radio service.

Mr. BLANTON. No; I am referring to page 442 of the hearings. The farmers in my country say that they want one thing particularly from Congress, and that is a better marketing system. I know the gentleman is considered to be one of the best friends that agriculture has in the House. What is being done, constructively, to effect a better marketing system?

Mr. ANDERSON. We are carrying a very considerably increased appropriation in this bill for work along marketing lines, through appropriations for the Bureau of Agricultural Economics, which has direct charge of that work—a larger increase than in any other bureau in the department.

Mr. BLANTON. And eventually the whole country will get the benefit of this radio broadcasting system?

Mr. ANDERSON. I see no reason why not.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. HILL. In reference to the item of enforcement of the food and drug act, which is increased from \$671,401 to \$704,401, I notice that on page 262 of the hearings the statement was made that we now have less than 40 inspectors where we formerly had a staff of 51 inspectors. Is the increase of \$33,000 provided for the purpose of putting back the 51 inspectors they formerly had?

Mr. ANDERSON. Of course the \$33,000 would not put back 51 inspectors.

Mr. HILL. But it would put back the difference, would it not?

Mr. ANDERSON. Yes; the idea is to restore the item to its previous basis.

Mr. HILL. The testimony was that the enforcement of the drug act was more difficult than formerly.

Mr. ANDERSON. It is.

Mr. HILL. And they wanted the same number that they formerly had, and this puts it back to 51?

Mr. ANDERSON. Yes. That is the expectation.

Mr. BUCHANAN. Mr. Chairman, I regret that I am not in full accord with my associates on the Appropriation Committee. Usually we are harmonious upon this subcommittee and generally I can see no reason why men who are sincere and intelligent can not agree on any proposition for the interest of our common country. Such has been my course whenever and wherever it is possible to cooperate with my colleagues. I can say that so far as I am concerned no partisan action has ever divided the committee. But I find myself not in accord with its action in respect to the cooperative fund for the construction of public roads throughout the Nation, and I have been requested by some of my colleagues to state the facts, that the House may understand clearly the actual condition that exists. The proposal in this bill to remedy those conditions and to suggest what is left to be remedied or corrected hereafter which is an urgent and indispensable duty.

The Post Office appropriation bill last year authorized three sums for the construction of public roads. The first was the sum of \$50,000,000 for the fiscal year ending June 30, 1923. This bill before us does not carry one cent in fulfillment of that authorization.

Mr. MOORE of Virginia. The last appropriation did not, as I understand.

Mr. BUCHANAN. That was not an appropriation. It was merely an authorization in the Post Office bill, and no legislation of any character has been passed making available one cent of the \$50,000,000, and this bill fails to do so. The second authorization in the Post Office appropriation bill last year was the sum of \$65,000,000 authorized for the fiscal year ending June 30, 1924. This bill carries an appropriation of \$29,300,000 of the \$65,000,000 for the next fiscal year. To save my soul I can not appreciate the reason for skipping the authorization of 1923 and appropriated under the authorization of 1924.

This same act, the Post Office appropriation act, last year authorized the Secretary of Agriculture to apportion among the several States the \$50,000,000. Forty-eight million nine hundred and fifty thousand dollars of the \$50,000,000 has been apportioned to the respective States by the Secretary in accordance with the good roads act. More than \$16,000,000 of the \$50,000,000 has been actually obligated to the States, and when I say "obligated" I mean actually contracted to the States, upon projects submitted by them for the improvement of their public roads. Yet we carry not one cent of appropriation in this bill to fulfill those obligations by the Federal Government to the State governments. It would have been far better had this bill carried the appropriation of \$50,000,000 authorized for the fiscal year 1923 and not carried one cent for the fiscal year 1924. We should merely have confirmed the authority to the Secretary of Agriculture to apportion and obligate the appropriation of \$50,000,000 for the fiscal year 1924.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. LAZARO. If we continue this policy, what will happen to the States that have contracted with parties to build roads?

Mr. BUCHANAN. I was advised yesterday over the phone by the Bureau of Good Roads that they expected some of these obligations to fall due and payment to be demanded within a few weeks; and practically every month until next December, or until we pass the next appropriation bill, some of these obligations will fall due, and the States will have to wait for

the money, and the Federal Government will have failed to fulfill its obligations.

Mr. LAZARO. Will not that stop road building?

Mr. BUCHANAN. No; the Secretary of Agriculture has been authorized by Congress in the same act to apportion this money and enter into contract.

Mr. LAZARO. But will not those obligations fall due and the Federal Government be unprepared to pay, and will not that discourage the States in building the roads?

Mr. BUCHANAN. It might have a discouraging influence upon some States and retard them from entering into these obligations. It might be used in some counties throughout the States in bond elections in States, where in a special instance a certain State has completed its contract and where the Federal Government has not fulfilled its contract.

It might be used by politicians to that effect; I do not know. The plan I advocate is that whenever and wherever this Government gives its pledged word in an act of Congress to perform certain obligations to a State, it ought to be ready to perform that obligation according to the letter of the law and the letter of the agreement.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. BUCHANAN. I will yield.

Mr. MOORE of Virginia. What practical objection could there be to carrying the \$50,000,000 appropriation for the current fiscal year on this bill rather than postponing it for the uncertain enactment of some deficiency bill in the future?

Mr. BUCHANAN. The only objection I have heard is that the various States do not use promptly their proportion of the allotment of this \$50,000,000, and therefore some of it will remain unused but segregated in the Treasury.

Mr. MOORE of Virginia. But it will be in the Treasury.

Mr. BUCHANAN. It will be in the Treasury and will not be lost, of course; but it may remain there one year or it may remain there two years or it may remain there for three years under the good roads act.

Mr. MOORE of Virginia. I hope the gentleman will propose an amendment increasing the appropriation of \$50,000,000 so as to cover the item which Congress authorized for the current fiscal year.

Mr. BUCHANAN. I am informed this morning by one of my colleagues on this committee that the deficiency committee was going to take care of any obligation under this \$50,000,000 authorization. Maybe they can and maybe they can not. In order to do so they will have to carry legislation upon an appropriation bill. They can not do it without running the risk of the good roads fund losing a portion of this \$50,000,000 by Congress losing the authority to appropriate it. Let us analyze it for a minute.

This Post Office act authorized an appropriation of \$50,000,000 for the year 1923, and if you permit that year to elapse before we make that appropriation then we have lost authority to appropriate under that act. The only way the \$50,000,000 authorization under the act can be preserved beyond the fiscal year is to authorize the Secretary of Agriculture to contract it during the fiscal year, and in order to do so in a deficiency bill we will have to carry legislation to that effect which is contrary to the rules of the House. Secondly, you can not always contract promptly. Many of the States are not ready to contract within the year. They have to hold elections for the issuance of bonds, and sometimes an election is defeated and another is ordered; and many of the States delay a long time, and the attorneys of the legal department have to approve the bonds, and before they can be sold many of the States have difficulty in selling and are thus tied up. Some States take one year, some take two years, and some take three years before they get ready to assume the obligation. Suppose a portion of this money is not obligated during the fiscal year at all? I do not care what the character of legislation, the deficiency bill must carry an authorization for the Secretary to obligate it. Suppose as a matter of fact it does not obligate a portion of it. Then Congress loses its power to appropriate the money and the good roads funds loses the portion of it that is unobligated. How much is obligated now? It has been stated that in six months only \$16,000,000 have been obligated, and it is reasonable to suppose that in the next six months we would obligate no more than \$16,000,000 even if we had the authority. Therefore, if we do not make this appropriation and depend upon some deficiency bill to make it, the good roads fund and the good roads movement stand in imminent danger of losing all that portion of its unobligated funds at the expiration of this fiscal year ending June 30 next.

Now, then, gentlemen, let me discuss another feature, the necessity for the appropriation of this \$50,000,000. Does the

necessity exist? Where do we go to get the information? We can only go to the good roads department and to those States that have entered into obligations and which will soon demand payment. Now, let me read you a few lines from the testimony of Mr. MacDonald, chief of that bureau. Speaking of the \$50,000,000, he says:

Contractual obligations of the sort referred to in the preceding paragraph have already been entered into with many of the States, and with the exhaustion of the appropriated funds apportioned to these States there will be no funds to pay vouchers rendered by them on account of construction work done under the terms of these contractual obligations.

Then a little later on, now mind you, the mutual obligations of one State can not be paid out of the portion that has been allotted another State. The Comptroller General has so held and the department recognizes that ruling.

We need an immediate appropriation for all the States of the \$50,000,000 authorized for 1923.

Mr. KINCHELOE. Will the gentleman yield?

Mr. BUCHANAN. Let me read this statement. Here is the conclusion of Mr. MacDonald:

Our conclusions, as stated above, are that there should be an immediate appropriation of the \$50,000,000 authorized for 1923, an immediate authorization to apportion the \$65,000,000 authorized to be appropriated for the fiscal year 1924, and an immediate appropriation of \$30,000,000 from the \$65,000,000 authorization, to be followed by an appropriation of the balance of the authorization by January 1, 1924.

That is the statement of Mr. MacDonald, in a prepared statement delivered to the subcommittee, showing that we will need an appropriation of \$50,000,000 for 1923, \$30,000,000 appropriation for 1924, and an appropriation of the balance of \$65,000,000 for 1924 by January 1, 1924.

Mr. KINCHELOE. Is it the only reason that the gentleman has ever heard for not appropriating the total of \$50,000,000 for 1923—that there might remain at the end of the fiscal year an unexpended balance to some of the States that had not been taken advantage of?

Mr. BUCHANAN. That is absolutely the only reason.

Mr. KINCHELOE. Is there not an additional reason on the part of those opposing this? Heretofore we have always appropriated for the whole year.

Mr. BUCHANAN. Yes; you have always appropriated for the whole year.

Mr. KINCHELOE. What reason do they who are opposing the \$50,000,000 give for skipping that for 1923 and appropriating \$29,000,000 for 1924?

Mr. BUCHANAN. You know they want to make the appropriations come within the amounts fixed by the Budget.

Mr. KINCHELOE. Roads or no roads?

Mr. BUCHANAN. Yes; roads or no roads, or anything else. Now, that is about all on that question. I have tried to state to you the plain and simple facts; and if we pass this bill in its present condition, without the amendment, we shall have to depend upon the deficiency committee not only to bring in an appropriation to cover a matter that is not a deficiency—because it has not yet matured—and perhaps depend on that committee to bring in legislation to preserve the balance of that appropriation.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HUDSPETH. As I understand, then, the States that have made contracts for the building of roads will be taken care of under this bill, while those States like Texas, for example, that have not made contracts, will not be taken care of?

Mr. BUCHANAN. No, sir; no State, whether it has made contracts or not, will be taken care of under the \$50,000,000 authorization for 1923. There is not one iota of money in the Treasury or in this bill that will meet the obligations under the authorization of 1923.

Mr. HUDSPETH. I am glad my colleague has explained that, because some of my colleagues on this side had the impression that the States that had made contracts will be taken care of, but that those States that had not made contracts will not be taken care of.

Mr. BUCHANAN. They will, we presume, be taken care of ultimately, but there is no provision in this bill, nor in any other statute, to take care of them; and if they are taken care of it must be by legislation.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. KING. Was there any evidence before the Budget Bureau or any evidence taken by the Budget Bureau to show the situation?

Mr. BUCHANAN. I do not know as to that.

Mr. KING. You do not know of any evidence being taken by them or any inquiry being made by them?

Mr. BUCHANAN. No. All I know is that the Secretary of Agriculture sent to the Budget Bureau a message recommending

and requesting that this \$50,000,000 for 1923 be included in the estimate, as well as the \$65,000,000 under the estimate for 1924.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. BRIGGS. What will be done now under the bill unless the amendment of the gentleman is adopted?

Mr. BUCHANAN. What will happen will be that obligations maturing will have to be taken care of by deficiency bills.

Mr. BRIGGS. Does the gentleman understand that Congress will not be in session after March 4?

Mr. BUCHANAN. Yes. I think one of the greatest curses that could afflict the American people would be an extra session of Congress. The country needs a rest. It needs to find out what the laws are that are now on the statute books, and it needs a rest from the disturbing conditions that now exist and from the discussion of many false nostrums that are urged as a remedy for imaginary evils that are now suffered by the people. That is why I am pressing this measure, to help to avoid the necessity of an extra session. We should not leave one item in any appropriation bill unattended to, that could be used as an excuse for calling an extra session.

Mr. BRIGGS. Unless the appropriation is made to meet this situation, either the road building will have to stop or we will have to have a special session to meet the deficiency?

Mr. BUCHANAN. Yes; I think the road building will go on, but I think the States would have to wait for the money after the money is due.

Mr. BRIGGS. The gentleman does not approve of that?

Mr. BUCHANAN. I do not.

Mr. HUDSPETH. The States can only raise their money by bond issues. Suppose they have not sufficient funds to take care of this matter. Then would not the road building stop?

Mr. BUCHANAN. The contracts would have to stop. Now, so much, gentlemen, for the road proposition. All this situation, this condition, in the road matter is absolutely brought about by the Budget Bureau, and it seems to be the desire of Members of Congress and of the Committee on Appropriations to pass bills within the limit of the amount fixed by the Budget, and not to exceed the Budget in the totals carried by the bills. So far as I am concerned, I am willing to accept the recommendations of the Budget as recommendations, but as recommendations only.

I believe in economy, but I believe in intelligent economy. There are two kinds of economists in this House, and there are two kinds of economists in the country. One is the intelligent economist; the other is the "damn-fool economist." [Laughter.] The intelligent economist cuts an appropriation where the results obtained from that appropriation do not justify the expenditure. The intelligent economist will not hesitate to increase an appropriation where the results obtained from that appropriation will redound to the benefit of the American people, and will be large enough to justify the expenditure. Such is my position.

Mr. LAZARO. Mr. Chairman, will the gentleman yield for a question?

Mr. BUCHANAN. Yes.

Mr. LAZARO. Is it not true that there is a car shortage in the country now and freight rates are prohibitive? Would it be good economy to stop the building of good roads?

Mr. BUCHANAN. I do not think so. I believe it would be the reverse.

Now, to illustrate: We had the people from the Agricultural Department before our committee. What did we find? We found that in the estimates, before they were passed by the Budget Bureau, large sums were asked for, and that those sums were cut. Regardless of whether it was justifiable or not, they were cut. What else do we find? We find that to stamp out the "black-stem rust" in wheat \$350,000 was estimated. That sum was estimated to stamp out that injurious fungus. It was a large appropriation. They cut it to \$200,000 or \$150,000. The Budget Committee cut it, though the Department of Agriculture had conducted an extensive campaign in the 13 States which raised spring wheat.

What the department did has aroused the sentiment of the people of those States and convinced them that black-stem rust could be stamped out by the extermination of the barberry bush. They have State organizations, and never in the history of this country has public sentiment been in a better condition to secure the eradication of black-stem rust than it is to-day. Yet the Bureau of the Budget cut the appropriation \$150,000, which would cripple the work and allow the fungus or insect, or whatever it is, to breed and increase and spread. I was a member of the subcommittee which considered this matter. The stamping out of black-stem rust does not concern my State. Wheat is grown in my section of the country, but

in that southern climate there are many perennial grasses, upon which the black-stem rust can feed, and for that reason we have no hope of its eradication. None of the eradication work has been done down there, but I did not hesitate one minute to make a motion to override the Budget and to increase the amount back to \$350,000. And I stand here willing to vote \$500,000, if necessary, because by expending that amount now when the hour is timely and while the iron is hot we can completely eradicate it—a fact which has been conclusively demonstrated.

Again, for the stamping out of the cattle tick there was another large appropriation. The Budget Bureau cut that appropriation. The Budget Bureau cut that appropriation largely at a time when the same conditions exist which are favorable to the destruction of the cattle tick as those which existed with reference to destroying the black rust of wheat. We increased that appropriation.

The same condition applied to rodents and animals that injuriously affect agriculture and live stock. We increased that appropriation. Therefore, gentlemen, I say I have absolutely no respect for the intelligence of the Bureau of the Budget on propositions like this. I am forced to believe that for some reason they are not acquainted with the agricultural affairs of this Nation.

Mr. HUDSPETH. Will the gentleman yield?

Mr. BUCHANAN. I yield to my colleague.

Mr. HUDSPETH. In view of the great importance of stamping out the cattle tick, and in view of the fact that it is estimated by competent men that in stamping it out in Texas the value of all clean cattle is increased from \$3 to \$5 per head, does the gentleman think his committee has appropriated a sufficient amount for the carrying on of that important work?

Mr. BUCHANAN. It is the same appropriation that we had last year. We put it back to that. I would not object to increasing it further, because the department is well organized with an effective force; and if you can act promptly and stamp out these things, it is an economy to do it, because by allowing these pests to continue from year to year you permit them to multiply and increase. Therefore I believe in taking effective measures promptly.

Let me tell you something. Of all the activities of the Agricultural Department, I care not what branch you may select, the branch that deals with injurious insects and animals and other pests that affect and destroy agricultural production is the most important in the whole department, and we should not make stinted and miserly appropriations to destroy those pests that inflict such great damage upon the yearly production of our agriculture. I will not hesitate to support all appropriations that the department can economically expend in its fight against these pests.

I have here in my hand a statement covering the past 14 years of the activities of the Agricultural Department in its fight against insects and other pests that are committing ravages upon the agricultural production of the Nation. It is astounding to see the damage that has been inflicted upon the American people through the ravages of these pests. We have made considerable appropriations to fight them, and every appropriation to conduct that fight has redounded to our benefit far more than the amount of the appropriations. So long as I am on this Agricultural Committee I am going to continue to fight for liberal appropriations to stamp out these pests, of whatever character and description, and in whatever section of the country they may be found. [Applause.]

Mr. JONES of Texas. I should like to ask the gentleman a question.

Mr. BUCHANAN. I yield to my colleague.

Mr. JONES of Texas. I notice on page 65 of the bill that provision is made for the maintenance of the department which handles the collection, publishing, and distributing of market information by wire and otherwise. I observe that the amount carried for that purpose has been reduced below the amount of last year's appropriation. Does the gentleman think this amount is sufficient to provide for the proper distribution of this market information that has been so much in demand throughout the country?

Mr. BUCHANAN. We think so. The radio is in its infancy, and being tested out. There is no doubt in my mind that it will be a success. We think the amount appropriated is sufficient for the purpose.

Mr. JONES of Texas. There was provision made last year, and then the amount was increased a little later, to provide for the dissemination of market information by wire or otherwise throughout the eastern part of the United States, and to practically all of the States east of the Mississippi River.

Mr. BUCHANAN. We are getting it in Texas.

Mr. JONES of Texas. They increased it a little and have carried it to one or two points beyond, and there seems to be quite a demand for it. As I understand they can distribute this information by radio at less than they can by wire. Is it so arranged that they can distribute it all over the country by radio or just to certain sections?

Mr. BUCHANAN. They can distribute it all over the country by radio wherever you find a radio station that will take it. Of course, the Federal Government does not own the radio stations in Texas.

Mr. JONES of Texas. According to the hearings they have established stations for that purpose at Boston, Philadelphia, New York, and Chicago.

Mr. BUCHANAN. They did not establish the station at Austin. They use the station there to transmit the information.

Mr. JONES of Texas. Those are not the only stations that they can use?

Mr. BUCHANAN. No; there is no limitation on the stations that can be used, and if the gentleman will take it up with the Secretary of Agriculture I have no doubt he can make arrangements to have the service extended.

Mr. JONES of Texas. I wondered if the appropriation was sufficient to enable that to be done.

Mr. BUCHANAN. I will say to the gentleman from Texas that I do not know. We can not anticipate every imaginable demand to be made for the establishment of new radio stations or any other new establishment. Perhaps if the gentleman had taken it up with the Secretary of Agriculture before the estimates came in, he might have included that in his estimates. I do not know.

Mr. JONES of Texas. There is very great demand for it.

Mr. ANDERSON. Let me say to the gentleman that while there appears to be a reduction in this item there is an actual increase, owing to the fact that a considerable amount, \$18,000, has been transferred to another item. That is the statutory roll. So that while there is an apparent decrease there is really an increase.

Mr. JONES of Texas. Is that sum to be paid for the officers who do this work?

Mr. ANDERSON. Yes. This is where we carried certain clerical employees. These employees have been transferred to the statutory roll so that that amount can be used for other purposes.

Mr. BRIGGS. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. BRIGGS. I want to ask if this appropriation provides for all the services that are now being maintained?

Mr. ANDERSON. Absolutely.

Mr. BUCHANAN. Yes; it does. But these important matters are not so serious as some that frown upon our individual prosperity and menace our governmental life. These various and vicious pests, which are so troublesome to our agriculture, must be controlled or exterminated; for their activity means suffering and their scourge is the plague of dire distress.

Our food crops, by which we live, and the apparel by which we are kept in healthful comfort and working condition depend upon successful agriculture. And our richest soils are in vain if their products are subject to the ravages of these devastating insect drives.

Of course, the sections more interested in the food cereals, essential to our living, have their singular experiences; and their crops are subject to the peculiar parasites that prey upon field and crib, and the growing plant life and the harvested grain are alike subjected to the destruction of their voracious hunger.

Of these trials the great wheat-growing sections have their day, and at times their walls monopolize the columns of our news journals. The black-stem rust destroyed 200,000,000 bushels of wheat in one year. Our sympathies go out to the grain grower wherever adversity depletes his purse or whenever his dependent loved ones are cramped by remorseless failure and he can not provide the comforts and necessities of life.

I am confident, Mr. Chairman, that these field vermin, which have been scientifically classified under the sonorous term of entomology, and luxuriate on the life blood of trade and commerce, have no friend in the human race. And what means are needed for the protection and salvage of our living interest would be generously forthcoming if every legislator were posted by an intimate knowledge of the facts.

Let an intelligent observer behold the splendid spectacle of great fields of wheat or corn as they roll in billows of golden glory, ripening under the alchemy of the harvest sunshine, or

standing in serried ranks of living green, aflame with banners of silk and tassel! When he sees that scene of matchless beauty and promise stripped of its hope and dead and shriveled by the remorseless sweep of the tempest or the scourage of devouring swarms he is ready and anxious to come to the rescue of the grain grower by any means in his power.

Or, Mr. Chairman, the vision of what has been so common in our fields of the South is equally appalling in the realm of king cotton. That uncrowned monarch, so often the theme of the gifted pen, wields the scepter of command wherever the human body must be clothed, wherever fashion holds sway and knows the potential dominion of the fleecy staple.

No more consummate tragedy is enacted than in the periodic disaster of the cotton industry. When the planting crisis is past and the critical "chopping out" process has presented the stand of tender plants, the grower contemplates the prospects in hope and in fear, for great expectations may be realized and great disasters may befall. The torrent and the lurking leaf worm has often blasted the young stem and leaf and driven to distraction the anxious cotton planter who knows the furtive genius of the crawling enemy; and his heart quakes as he remembers the storm cloud and the sudden descent of the resistless cyclone.

I think there can be nothing more attractive to the agriculturist than the maturing and developing field of luxuriant cotton. The rich dark green of its foliage over an abounding acreage is indeed an emerald sea; and when its "squares" burst into snow white and change, in turn, to blooming red flowers and the swelling boll opens its casket to reveal its tuft of immaculate fleecy fiber, it presents a unique and variegated beauty, characteristic of no other bush or plant.

And when, on some fine day, as he inspects the developing crop and sniffs an aromatic odor his heart sinks, for he recognizes the telltale scent of ruin. In the interval of a single day his luxuriant field may be swept of every leaf, for the caterpillar in countless myriads is no laggard, and its ravages leave no verdant bud or leaf. The instant duty and only recourse are the arsenical supply and application, discovered after years of trial and experiment to be the fulfillment of his dreams and the realization of his successful weapon of defense.

Again at another time as the same picture of apparent prosperity delights his soul, he sees nor smells a warning; not a sign of danger is apparent as he looks over his splendid prospects, but something is lacking. On looking closely he finds in all that field of a thousand acres, more or less, that not a single fully developed square or incipient boll can be found. Then he knows that the deadliest enemy of the maturing cotton has done and is doing its fatal work. The Mexican boll weevil, the most deadly and destructive pest known to the cotton field and its most indestructible enemy, has stung and blasted every swelling and immature cotton square and boll, and the loss of the crop is complete.

It is not correct to think that the American people and our economic forces have been oblivious or designedly neglectful in resisting these ruinous encroachments upon the products of our soil. The proper indictment is that our efforts have been feeble; our fighting strength has been inadequate and crippled because of insufficient appropriation. Let us look into this for a moment.

We have the figures covering the fiscal years 1910 to 1923, inclusive, "showing the appropriations for fighting insects and diseases affecting plants and animals available to the Agricultural Department." These amounts can easily be quoted in detail, but a summary serves our purpose and saves time.

SUMMARY.

Appropriations available to Department of Agriculture for fighting insects and diseases affecting plants and animals during the 14-year period, 1910-1923.

(1) BY YEARS.

Fiscal year.	For research.	For service and regulatory work, including eradication.	Total.
1910.....	\$403,280	\$1,150,000	\$1,553,280
1911.....	403,885	1,148,000	1,551,885
1912.....	457,325	1,102,540	1,559,865
1913.....	521,475	1,155,840	1,677,315
1914.....	588,275	1,940,000	2,528,275
1915.....	724,415	3,930,520	4,654,935
1916.....	743,100	4,236,580	4,979,680
1917.....	901,710	3,446,590	5,348,300
1918.....	1,025,240	4,124,430	5,149,670
1919.....	1,101,310	4,703,300	5,804,610
1920.....	1,353,070	6,235,003	7,588,073
1921.....	1,325,380	5,651,518	6,976,898
1922.....	1,465,200	6,338,590	7,803,790
1923.....	1,501,205	6,938,910	8,440,115
Total for 14-year period.....	12,514,870	52,101,821	64,616,691

SUMMARY—Continued.

Appropriations available to Department of Agriculture for fighting insects and diseases affecting plants and animals, etc.—Continued.

(2) BY BUREAUS AND YEARS.

Fiscal year.	For research.	For service and regulatory work, including eradication.	Total.
Bureau of Animal Industry:			
1910.....	\$109,000	\$850,000	\$959,000
1911.....	108,000	848,000	956,000
1912.....	78,680	817,700	896,380
1913.....	78,680	825,000	903,680
1914.....	78,680	1,579,000	1,657,680
1915.....	77,360	3,500,520	3,577,880
1916.....	85,940	3,756,580	3,842,520
1917.....	173,020	2,790,180	2,963,200
1918.....	166,660	2,714,880	2,881,540
1919.....	171,620	3,226,302	3,397,922
1920.....	170,180	4,426,205	4,596,385
1921.....	150,920	3,556,920	3,707,840
1922.....	150,920	4,313,920	4,464,840
1923.....	156,520	4,602,720	4,759,240
Total, 14-year period.....	1,756,180	37,807,927	39,564,107
Bureau of Plant Industry:			
1910.....	105,880	.....	105,880
1911.....	102,985	.....	102,985
1912.....	136,695	.....	136,695
1913.....	140,045	.....	140,045
1914.....	154,345	.....	154,345
1915.....	231,685	.....	231,685
1916.....	241,790	.....	241,790
1917.....	307,040	270,000	577,040
1918.....	377,330	730,000	1,107,330
1919.....	400,590	630,448	1,031,038
1920.....	479,270	567,048	1,046,318
1921.....	472,670	471,088	943,758
1922.....	488,150	326,920	815,070
1923.....	508,555	890,000	1,398,555
Total, 14-year period.....	4,147,030	3,825,504	7,972,534
Bureau of Entomology:			
1910.....	188,400	300,000	488,400
1911.....	192,900	300,000	492,900
1912.....	241,950	284,840	526,790
1913.....	302,750	305,840	608,590
1914.....	355,250	321,000	676,250
1915.....	415,370	330,000	745,370
1916.....	415,370	330,000	745,370
1917.....	421,650	325,050	746,700
1918.....	478,250	325,050	803,300
1919.....	504,100	323,250	827,350
1920.....	678,620	573,250	1,251,870
1921.....	683,790	894,200	1,577,990
1922.....	808,130	814,200	1,622,330
1923.....	818,130	819,200	1,637,330
Total, 14-year period.....	6,507,660	6,245,880	12,753,540
Forest Service:			
1922.....	.....	130,000	130,000
Bureau of Biological Survey:			
1921.....	13,000	.....	13,000
1922.....	13,000	.....	13,000
1923.....	13,000	.....	13,000
Total, 3-year period.....	39,000	.....	39,000
Federal Horticultural Board:			
1913.....	.....	25,000	25,000
1914.....	.....	40,000	40,000
1915.....	.....	100,000	100,000
1916.....	.....	150,000	150,000
1917.....	.....	61,360	61,360
1918.....	.....	354,500	354,500
1919.....	25,000	523,300	548,300
1920.....	25,000	668,500	693,500
1921.....	5,000	729,310	734,310
1922.....	5,000	753,550	758,550
1923.....	5,000	686,990	691,990
Total, 11-year period.....	65,000	4,092,510	4,157,510

(3) BY BUREAUS AND APPROPRIATIONS FOR 14-YEAR PERIOD, 1910-1923.

Bureau of Animal Industry:			
Inspection and quarantine.....	.....	\$7,676,642	\$7,676,642
Tuberculosis eradication.....	\$75,000	9,281,840	9,356,840
Eradication of cattle ticks.....	.....	6,920,900	6,920,900
Animal disease investigations.....	1,462,880	.....	1,462,880
Hog cholera.....	218,300	2,461,425	2,679,725
Control of viruses, serums, etc.....	.....	1,381,320	1,381,320
Dourine eradication.....	.....	695,800	695,800
Foot-and-mouth disease.....	.....	9,400,000	9,400,000
Bureau of Plant Industry:			
Plant-disease investigations.....	624,670	.....	624,670
Fruit diseases.....	852,695	.....	852,695
Disease of forest and shade trees.....	826,610	.....	826,610
Cotton, truck, and forage-crop diseases.....	834,680	.....	834,680
Cereal diseases.....	966,705	944,400	1,911,105
Tobacco diseases.....	41,670	.....	41,670
Pine blister rust control.....	.....	1,435,344	1,435,344
Eradication of citrus canker.....	.....	1,445,760	1,445,760

SUMMARY—Continued.

Appropriations available to Department of Agriculture for fighting insects and diseases affecting plants and animals, etc.—Continued.

(3) BY BUREAUS AND APPROPRIATIONS FOR 14-YEAR PERIOD, 1910-1923—CON.

Fiscal year.	For research.	For service and regulatory work, including eradication.	Total.
Bureau of Entomology:			
Deciduous fruit insects.....	\$1,252,320	.....	\$1,252,320
Cereal and forage insects.....	1,502,700	.....	1,502,700
Southern field-crop insects.....	1,149,920	.....	1,149,920
Forest insects.....	640,030	.....	640,030
Truck-crop and stored-product insects.....	832,840	.....	832,840
Tropical and subtropical plant insects.....	336,800	\$57,600	394,400
Mediterranean fruit fly.....	106,400	160,400	266,800
Miscellaneous insects (including insects affecting man and domestic animals).....	661,650	.....	661,650
Preventing spread of moths.....	.....	4,782,880	4,782,880
European corn borer.....	.....	1,125,000	1,125,000
Mexican bean beetle.....	25,000	100,000	125,000
Insect infestations, forest and other public lands in Oregon and California.....	.....	20,000	20,000
Federal Horticultural Board:			
Enforcement of plant quarantine act.....	.....	721,570	721,570
Domestic potato quarantine.....	.....	150,000	150,000
Potato wart extermination.....	.....	135,900	135,900
Eradication of date scale.....	.....	28,000	28,000
Pink bollworm of cotton.....	65,000	3,057,040	3,122,040
Forest Service:			
Insect infestations, Oregon and California.....	.....	130,000	130,000
Bureau of Biological Survey:			
Diseases of reindeer.....	39,000	.....	39,000
Grand total, 14-year period.....	12,514,870	52,101,821	64,616,691

(4) BY BUREAUS FOR 14-YEAR PERIOD, 1910-1923.

Bureau of Animal Industry.....	\$1,753,180	\$37,807,927	\$39,561,107
Bureau of Plant Industry.....	4,147,030	3,825,504	7,972,534
Forest Service.....	.....	130,000	130,000
Bureau of Biological Survey.....	39,000	.....	39,000
Bureau of Entomology.....	6,507,660	6,245,880	12,753,540
Federal Horticultural Board.....	65,000	4,092,510	4,157,510
Total.....	12,514,870	52,101,821	64,616,691

These appropriations and disbursements of governmental expenses are solely for operations against the predatory insects that destroy so largely our agricultural wealth. They are not extravagant in truth when we weigh and measure our great Commonwealth and realize how infinite and various is our resourceful country. It dawns on our consciousness that for such a stupendous task as a successful war with our countless infinitesimal and aggressive foe, against which we are pitted for God and humanity, our provided equipment has been illiberal and even contemptible.

The billions and billions of wealth we enjoy by the agricultural pursuits of our people constitute a class—aye, a veritable guild—consecrated and entitled to the worship of mankind. As a people we should give precedence to what might be appropriately favored as the one class for which legislation can not be invidious, for it is the class on which humanity has depended, and which supplies our living necessities, and it is assuredly the class to which we are indebted always and to the limit. The pagans of antiquity were by every count and consideration justified in their ascription of divinity to Ceres, their goddess of husbandry.

Mr. Chairman, our people should be commended for the most drastic warfare we have been able to wage against these predatory enemies of our agricultural products. The swarms that infest our crops, and which are as noisome and injurious as the plagues of Egypt, are by no means an insignificant barrier to progressive life, but are a menace to life itself.

If we could obliterate them, the grain and textile producers of our race would gratefully erect a monument in honor of our achievement. It would be a wonderful blessing to the planting and hungry world. And yet these creeping myriads but follow their instinctive law of existence, and beyond the demands of hunger they ask nothing. Their depredations, however ravaging and deplorable, are the visitations of a periodic scourge which we may successfully resist and finally defeat.

But the sectional and partisan game of politics seems to be based on an unfathomable spirit of lurking malice, selfishness in design and ruthlessness in application. This animus to which I allude is born and lives in the atmosphere of the most malignant of our human exhalations. It thrives on the unholy schemes of expediency. It is ossified traced. An individual trained in profit and loss until obsessed by the venom of selfish greed is irresistibly the tool of personal passion and, by partisan bias, political expediency is easily confounded and confused with political principle. It is the motive thought of every agent with an "ax to grind."

That these insinuations and accusations are true, there is undeniably abundant evidence, by common repute and by the testimony of fact.

On Saturday, December 16th instant, a notable exposure of disgraceful conditions was aired on the Senate floor by Senator SMITH, of South Carolina, as he pointed out the outrageous discrimination by which agriculture is compelled to suffer at the hands of political partisanship.

In that disclosure the discussion centered around the quotation from President Harding's message before Congress, in which the President took occasion to stress the deplorable condition of the farming interest throughout the country and recommended remedial legislation. How monstrous the fact that in behalf of the class that feeds and clothes us remedial legislation is deemed necessary. Since then the Committee on Agriculture has been holding hearings looking for some way to return to normalcy. But normalcy seems a mythical term except as it applies by comparison favorably to other industries than that of the planter and stock raiser. It was shown in the discussion that the Committee on Agriculture was visited by representative men of affairs, who had knowledge of the terrible calamity which fell upon our agricultural interests without warning, when the price of farm products and cattle raising went down to a point that meant bankruptcy.

These allegations and denunciations were justified by excerpts from the administration newspapers and reports, and from cited instances showing that the manufacturing and speculative operators had profited by incredible per cents and dividends, while the toilers on farm and ranch were unable to realize the cost of production in the markets of the country.

To substantiate the above statement, I will cite only a few of many instances wherein the manufacturing industries are reaping an enormous profit at the expense of the American consumer and the agricultural interests of our Nation. Wanskuck Co., manufacturers of worsted, recently voted to distribute among themselves a 1,500 per cent stock dividend. The New York Manufacturing Co. of Minnesota, which makes cotton cloth, doubled their capitalization and declared a 100 per cent stock dividend. The Oakdale (R. I.) Worsted Co., after increasing its capital stock from \$60,000 to \$540,000, declared an 800 per cent stock dividend. The Merrimac Woolen Co. increased its capital stock from \$750,000 to \$1,000,000 and, in addition, declared a large dividend. The New Bedford Cotton Mills Corporation declared a stock dividend of 200 per cent. The textile manufacturers of Fall River, Mass., declared dividend for the year 1922 amounting on an average to 9.324 per cent. There are other instances in which the great industrial corporations have declared dividends as high as 3,000 per cent. Something is radically wrong with any government whose institutions and laws are so framed that the great industrial manufacturing corporations can realize such immense profit, while the foundation, the agricultural interest of the Nation, which sustains the entire superstructure, is continuously threatened with bankruptcy and ruin.

Our great problem is to make a correct diagnosis of the evil and correct that evil, even though it takes major surgery in order to completely restore the patient.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed, without amendment, bill and joint resolution of the following titles:

H. R. 12174. An act to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary.

H. J. Res. 180. Joint resolution extending the provisions of the act of February 25, 1919, allowing credit for military service during the war with Germany in homestead entries, and of Public Resolution No. 29, approved February 14, 1920, allowing a preferred right of entry for at least 60 days after the date of opening in connection with lands opened or restored to entry to citizens of the United States who served with the allied armies during the World War.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolution of the following titles:

On December 16, 1922:

H. R. 540. An act for the relief of Bradley Sykes;

H. R. 1463. An act for the relief of William Malone; and

H. R. 1862. An act for the relief of Leroy Fisher.

On December 18, 1922:

H. R. 8062. An act amending subdivision (5) of section 802 of the war risk insurance act.

On December 19, 1922:

H. J. Res. 408. Joint resolution authorizing payment of the salaries of the officers and employees of Congress for December, 1922, on the 20th day of that month.

AGRICULTURE APPROPRIATION BILL.

The committee resumed its session.

The CHAIRMAN. The gentleman from Texas has consumed 32 minutes.

Mr. ANDERSON. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman and gentlemen, in the limited time at my disposal it is very difficult to say very much on any subject that should receive much study from Members, as the House will appreciate. In yesterday's Record, in the speech by Senator BROOKHART, appear a number of statements on stock dividends that I commend to the reading of Members of the House. I will attach some data to my remarks as well. A few days ago the National City Bank of New York defended what they called social wealth, with the understanding that the stock dividends that were turned over for the purpose of conducting the business of a concern was "social wealth," and that the people of the country who created the "social wealth" ought to be satisfied with its present whereabouts, notwithstanding the income tax laws we have failed to reach a large part of the social wealth when it is placed in stock dividends.

I have only the time to read briefly from a statement of the National City Bank of New York which was placed by the bank on the desk of every Congressman. This is very high authority, and as the bank speaks from a standpoint not ordinarily taken by the average legislator I believe it should be answered, to show the position we are obliged to take when legislating.

Under the pressure of time, I am going to read only briefly from the statement sent out by the bank. This statement, in the form of a circular, was issued by the National City Bank of New York City for December, 1922, and sent to every Congressman and to banks generally. It contains a carefully prepared defense of the \$775,000,000 ten-year net profits, or 77½ per cent annual net profits, of Standard Oil of New Jersey, and concludes with the statement:

The wealth employed in industry is social wealth no matter who owns it. * * * The soviet revolutionists of Russia had a theory that leadership in industry counted for nothing. * * * The soviet leaders have modified their policies very materially in the past year as the result of practical experience. * * * The same old doctrines, however, are widespread in the United States, and the clamor for increased taxation of wealth is largely by people who favor it as a means of distributing the accumulation of wealth that exists. * * * The country will not be safe from such proposals until the fundamental fallacy that runs through all of them is generally understood.

The bank justifies a \$775,000,000 net profit in 10 years on the capitalization of Standard Oil of New Jersey, or 77½ per cent annual net profit on \$100,000,000, and excuses a 900 per cent surplus of Standard Vacuum Oil and others of like character, including a 16,000 per cent stock dividend of the Brown-Sharpe Manufacturing Co., of Rhode Island, that increases its stock through profits from \$100,000 to \$16,000,000, freed from present taxes.

THE BANK AND STANDARD OIL.

First, it should be noted, the National City Bank is reported to control Standard Oil's activities. It stretches out its hands all over the universe, reaching to the islands of the sea, far distant Africa, and the Central American and South American Republics, while its great power is recognized by the world. It says in this statement in effect that the accumulation by one man in a lifetime, through Standard Oil manipulations, of wealth reaching, according to estimates, over \$2,000,000,000 on an original capital of a sixpence is "social wealth no matter who owns it." That is to say, it is immaterial whether Mr. Rockefeller as one man owns the money or whether it is possessed by the people generally who were squeezed out of that sum. It contends the same is equally true of thousands of our multimillionaires who began wealth on a shoestring, all of whom are comprehended in the National City Bank's unique defense of "social wealth."

THE BANK'S OFFICERS AS WITNESSES.

When witnesses voluntarily take the stand, it is customary to inquire as to their general views, particularly if they assume to speak for other parties or for their country which they fear may become impregnated with sovietism. Among such witnesses we note James Stillman, a recent president of the National City Bank, who belied his name with an unenviable notoriety gained while spending the patrimony of his dad. He is a standing justification for a stiff inheritance tax, because

the "social wealth" he inherited was of doubtful value to himself or to the public generally. In fact, a relationship may occur to some minds between the cognomen Stillman and Standpatter that is found in the modern vernacular.

Mr. Frank Vanderlip, a former vice president of the National City Bank, in assuming to speak for this country, for France and England, and for the universe generally, stated in a Senate hearing (Sixty-sixth Congress):

There is a distinct feeling in France and England that it would be a just thing for us to forego asking the repayment of the large amount of money (\$10,000,000,000) we have loaned.

With this statement the National City Bank officers seem to be unanimously agreed, a suggested reason being that foreign holdings held by its customers would thereby be enhanced in value, leaving a tax burden of \$23,000,000,000 for the American taxpayer to pay with no offset or liquidation by foreign debts.

It is understood that Mr. George E. Roberts, vice president of the bank, is sponsor for the National City Bank tax views. With all due respect to his large wealth and his opinion against taxation of Standard Oil's profits, it may be proper to recall that when Mr. Roberts was before the National Institute of Science he, too, was favorable to the cancellation of the \$10,000,000,000 of foreign debts, that would be left for American taxpayers to pay, and in a burst of Christian fervor he declared, among other things:

Apparently a good many people are beginning to think that, perhaps, this country will do well to forgive its debtors and take advantage of whatever benefits are implied in the Lord's Prayer, etc.

Those who pay their legal taxes and see men of large wealth charged by Secretary Mellon with tax dodging due to investments in tax-free securities may quote some biblical terms not found in the Lord's Prayer when responding to Mr. Roberts's proposal to forgive \$10,000,000,000 to foreign debtors.

THE BANK'S POLICY IN BUSINESS.

Let it also be remembered the National City Bank was recently chosen to be the fiscal agent for Liberia, in far-away Africa, and that this bank was selected to handle \$5,000,000 of American taxpayers' money to be paid to holders of defaulting Liberian bonds. Approximately \$1,500,000 was to be paid out of the Federal Treasury for depreciated bonds thus made payable at par, and \$3,500,000 for exploiting Liberia with the money of American taxpayers. The proposal was defeated during the present session after it had passed the House by a close vote.

The National City Bank's taxing viewpoint may be gathered from its government of Haiti, aided by American marines as collectors for the bank's loans. Its reputation as a tax collector abroad extends to preventing a vote on the Haitian constitution and a confiscation of officers' salaries to meet its own holdings. So, too, the National City Bank has abundant reason to quote Russia as a horrible example, for the bank is reported to be a large holder of Russian bonds reaching many millions of dollars, which the soviet government refuses to recognize or pay, and their repudiation to-day is alleged to prevent recognition of that government by our own.

Other illustrations could be offered of its viewpoint when speaking authoritatively on the subject of Standard Oil, which it represents, but these would seem to suffice. Financially the National City Bank is considered the American Gibraltar, and if Congress permitted its branch banks to reach out in this country as abroad the National City doubtless would be as numerous as the proverbial canine has active inhabitants. Officials of smaller banks speak with bated breath of the huge New York bank that assumes to lead in finance, business, and supervision of politics, and when it comes to quoting the Lord's Prayer for the forgiveness of foreign debtors, other than its own, they find in it a model of interested disinterestedness.

It may be conceded that the National City Bank is a fair representative of the big business viewpoint of profiteering, exploitation, and accumulation of "social wealth" at public expense. Contributors who furnish the profits, surpluses, and "social wealth" are not much in evidence, but are entitled to consideration from those who make the laws and for whom we equally speak, and I am addressing you to that end.

ANOTHER SIDE OF THE PICTURE.

A page from the human side of the ledger of last year is offered. In 1921, when one of the 33 subsidiary Standard Oil companies (New Jersey) was extracting upward of \$77,000,000 net profits, or 77 per cent, from oil consumers of the land, the farmers of my own State, one of the most prosperous States in the country, suffered a loss in gross income over the year 1920 of \$160,000,000, or of more than 33 per cent compared with the preceding year. The official figures for 1921 are \$306,708,000, and for 1920, \$480,809,000, which, however, tells only half the

story, because in 1921 the purchasing power of the dollar was only 50 per cent pre-war prices with which to meet the necessities of upward of 2,000,000 men, women, and children of the State who are dependent upon their products of the farm.

Standard Oil's profits of 77½ per cent annually taken from 10,000,000 farmers and other consumers of the country are placed in the pockets of a comparatively small handful of stockholders. The bank contends this is "social wealth, no matter who owns it." The 10,000,000 farmers averaged less than \$500 annual income for themselves and families in 1921, with 54 per cent increased cost of necessities over 1913, or less than one-half of the pre-war purchasing power. They have helped put an additional \$2,000,000,000 into a comparatively few pockets through excess profits held out from corporate earnings as surplus aside from cash dividends, taxes, and all other charges, and as the big fish swallow the little ones, the number of stockholders will be reduced eventually to a few great interests.

Apart from these extortionate profits we now learn that the \$2,000,000,000 of surplus is carefully tucked away in stock dividends and will avoid individual income taxes, which if collected under the law and not avoided would probably reach a half billion dollars contributed toward the support of Government from these excess profits. I have placed the facts before you in the Mellon correspondence, and these facts elicit a public protest that will not be affected by cries of sovietism, even by such powerful combinations as the National City Bank and the equally powerful Standard Oil system, which it represents.

HARSH TERMS BY TAX DODGERS.

Harsh terms are hurled at the heads of those who protest against extortion, profiteering, and tax dodging by men of large wealth or against the recognized power of those who are popularly understood to form "the invisible government" in this country. Protestants are termed radicals, reds, socialists, soviet, and other opprobrious names when they ask why big business does not obey the law and pay its just taxes. Secretary Mellon in his 1922 report, page 16, speaks specifically of tax evasions or tax dodging by large wealth in these words:

Investors who would normally put their surplus funds into productive enterprise are driven * * * into investment in tax-exempt securities with the result that the Federal Government loses the revenue * * * and funds badly needed for productive purposes are directed into unproductive and frequently wasteful expenditure.

Secretary Mellon estimates \$10,000,000,000 of this money has gone into tax-free securities in order to dodge taxes. The amount is double that sum, according to Doctor Seligman, and within three months upward of \$2,000,000,000 more of "social wealth" has gone into stock dividends that will also dodge individual surtaxes.

JUSTICES DESCRIBE TAX DODGING.

Of "social wealth" one of the ablest members of the United States Supreme Court, in protesting against the MaComber decision, reported by one majority of the court, said:

If stock dividends representing profits are held exempt from taxation under the sixteenth amendment, the owners of the most successful businesses in America will, as facts in this case (Standard Oil) illustrate, be able to escape taxation on a large part of what is actually their income.

That has come to pass, over the protest of the country that voted for the sixteenth amendment, of the Congress that passed the income tax law, and of four protesting judges of the court, who were outvoted by the other five members, and Secretary Mellon refuses to impose any tax penalties under the law.

After impaling tax dodgers, Mr. Mellon asks Congress to remove incentives for dodging by reducing the tax dodgers' taxes by one-half. No one charges Mellon with being a soviet or a Socialist because he threw the spot light on unprecedented tax dodging. Those terms go only with men who would see the law enforced, even if it affects the fortunes of Mr. Mellon himself. Some really sensible people believe that, instead of radicals, reds, and soviet, the country is in more danger from the rabid cult than from the radical; from the blacks, who, figuratively, fly the skull and crossbones of law's defiance, rather than from European reds; from self-constituted money sovereigns, or what Clemenceau terms our "money imperialism," rather than from soviet.

It does no good to call names. It gets nowhere. It frightens nobody but small children whether the tom-tom is drummed by the National City Bank or other great influences, while those in glass houses may find stone throwing a hurtful exercise. Men who are intelligent mortals—and most men are—do not lose their poise excepting during war or under stress of great excitement. In other words, the 100,000,000 people of this country who do the governing figuratively under the Constitution will not be seriously alarmed over the hundred thousand or more who shout imprecations to distract attention from their tax dodging, and who are credited with being the invisible govern-

ment, with far-reaching influence over our business and political affairs to-day.

PROFITEERING WITH NECESSITIES.

The spirit of profiteering evidenced by oil, steel, cutlery, and all the huge melon-cutting concerns recently disclosed was never more universal or more cruel and unconscionable than it is to-day. Food, fuel, clothing, and, in fact, all necessities of life have caused consumers to contribute to the growth of human greed.

A 16,000 PER CENT MELON.

Let me say in this connection that it was recently disclosed that one cutlery company in Rhode Island increased its capital stock from \$100,000 to \$16,000,000, or 16,000 per cent. Now, that must have come, apart from cash dividends, through additional profits which they have not distributed during that time. That is a melon of some size that the consumers of the land have grown for the stockholders cutting.

Mr. GARNER. Will the gentleman yield?

Mr. FREAR. I will, certainly.

Mr. GARNER. I want to ask the gentleman if, in addition to the present statute which authorizes the Secretary of the Treasury to investigate these matters and ascertain if they are not collectible under the present statute, if there is not another way to get at these people in the future? With reference to the particular case that the gentleman from Wisconsin has just mentioned, if you levied a very high stock tax and discriminating so that it would apply to stock dividends of the last two years, is it not possible to get some of that money?

Mr. FREAR. I have had that plan with some others in mind, but it seems to me that the safer plan if we can secure action by Congress would be to tax the undistributed profits, because by that means after you have made full allowance for corporation reasonable profits the earnings which ought to be allowed, the rest ought to pay a just tax. There ought to be a way to reach it, but of course we can not reach it now under the stock-dividend decision of the Supreme Court, although the Secretary of the Treasury is empowered to impose penalties of 25 per cent where the surplus is not necessary for the business.

Mr. BRIGGS. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. BRIGGS. In spite of the fact that the accumulations may be far above those necessary for the conduct of the business, no action can be taken without the certificate to that effect.

Mr. FREAR. The gentleman probably knows that I have had a controversy with the Secretary of the Treasury—and, by the way, it has been in good spirit—to the effect that he ought to impose the penalty. I am not discussing that here, because I have already discussed it before in the House. It seems to me that that would be the way to reach it at present, and the penalty tax ought to be imposed. But in the absence of that penalty there ought to be some way to reach it, especially by law.

Mr. BRIGGS. Does not the gentleman think, then, that that provision ought to come out of the law and leave it a question of fact whether there is an unlawful accumulation?

Mr. FREAR. It is absolutely impossible to frame any law that has not a certain discretionary power, and I am frank to say that I do not care to have discretionary power left with any official. Every man should be treated equally under the statute and the stronger we can make the law the better for those who believe it ought not to be evaded.

STANDARD OIL'S SOCIAL WEALTH.

Standard Oil makes public confession through the National City Bank that during peace and during war, for the last 10 years, one of its 33 subsidiaries has accumulated enormous net profits and profits on profits averaging 77½ per cent annually. These huge profits have been rolled up for stockholders represented by the National City Bank who find their profits translated into stock dividends to escape personal taxes due to a court decision that turned on the "guess" of 1 justice out of 9 in the MaComber case, while a kind-hearted Secretary of the Treasury who started the "melon cutting" now protects oil profits from penalties or surtaxes.

Mr. Roberts and other officers of the National City Bank, by an ingenious method of reasoning, after admitting the facts substantially as stated, now discover there has been added to our "social wealth" the profits and tax-exempt stock dividends pocketed by their customers. In other words, a "social wealth" that serves to fatten the prize porker largely goes to a quadruped that stands with four feet in the trough.

Those who protest against this National City Bank and Standard Oil method of reasoning are now reminded that Soviet Russia is a result of protests against the powers that be,

to which the fellow who is pinched may respond, "Well, see what happened to the Czar and his followers, and to the National City Bank's Russian bonds." No sensible man finds any hope in either the reign of Trotsky or Lenin or of a drifting Czar who left behind a drifting Russia. Men who ignorantly shout about sovietism or socialism frequently do not know the fundamental principles governing their own America, and that may be a grievous error of several prominent bank officials.

THE PEOPLE ARE PATRIOTIC.

The people of this country are law abiding and love their Government and its institutions. Outside of New York City, which is the rendezvous for Old World immigrants, not 1 per cent of our people are in sympathy with sovietism. Not 1 per cent of the people of America would accept that form of government. Neither would 1 per cent quietly accept a czarlike government that seeks to rule with a rod of iron and blisters and bleeds the other 99 per cent under a plea that such money wrung from the helpless masses is "social wealth." The unprejudiced legislator seeking to avoid future possibilities reflected alike in Russia, Rome, and other governmental mistakes would steer clear of the rocks now and hereafter.

It is useless to discuss tax problems with men who believe their wealth should be exempted from tax laws, or that laws only are for the farmers, the socialists, labor, and for those who have little but pay much proportionately. When wealth serves notice on Congress and on the country it is superior to law, and when defeated at the polls or in legislative halls it gives its ultimatum what it will not pay and we can take it or leave it, then we may well ask who makes such announcements and such demands.

LAWS SHOULD BE ENFORCED.

Critics generally who from self-interest denounce Congress or measures designed to carry out the will of the people are losing their power to inspire terror over the lawmaking branch of the Government. The Government will be stronger, not weaker, when officers fearlessly enforce the law, when men, great and small, obey the law, and when courts do not usurp the functions of Congress or subvert the will of the people as expressed in constitutional amendments and substantive law.

I have no further comment to offer on "social wealth" that fears "sovietism." This does not seem to be a fair argument with those of us who are just as much in earnest, just as anxious for the welfare of the country as the National City Bank. The average Member is anxious to do what he can for the country at large and acts from right public motives, I believe. As was well stated by the gentleman from Georgia [Mr. Crisp] yesterday, most of us are comparatively poor men, but if we were rich men we would probably adopt the same plea that the men of wealth do to-day. We would invest in tax-free securities because no man cares to pay taxes if to be avoided legally; but having passed laws in which surtaxes are provided whereby the man best able to pay shall pay, Congress should enforce the law and meet evasions with curative legislation. Men of large means now escape through investments in tax-free securities, in stock dividends, but the little fellow who has a small income—some 1,900,000 more in 1921—as the gentleman from Georgia said yesterday, the little fellow has to pay his full share of the tax. He can not escape. He can not argue the question with the Treasury Department, he has no way of making investments in these stock dividends or tax-free securities. That is the situation, and although there may be no chance for immediate action now we ought to meet the bank's argument and later seek means of reaching this vast accumulation of "social wealth" which has been exacted from the people in addition to cash dividends and reasonable profits.

A FEW STOCK DIVIDENDS.

No complete list of stock dividends can be furnished, but a few cases that have been published in the press are attached hereto with memoranda that may be of interest. Bearing in mind that these stock dividends represent accumulations of surplus saved out of next profits, after deducting all expenses, including taxes, cash dividends, sometimes enormous salaries, and other items, it gives a bird's-eye view of some earnings, with accent on the word "some."

Because industry was "suffering" Congress repealed the excess-profits tax. The corporation tax of 12½ per cent instead of 40 per cent imposed under the excess-profits tax after deducting 8 per cent net profits explains why the excess-profits tax was objectionable. In like manner the stock dividend, by avoiding individual surtaxes, prevents any considerable paring of the enormous melons, a few of which are found in the following items.

SURPLUSES TO DIVIDE.

The following press copy is self-explanatory:

Although no definite explanation has yet been offered to account for the sudden rush of the Standard Oil companies to split up their big surpluses through the payment of huge stock dividends, belief is growing on the Street that such action is being taken to forestall some new Government financing plan, not yet disclosed to the general public, to impose a heavy tax on such surplus funds. It will be recalled that the Gulf Oil Co., which had a surplus of \$112,000,000, was the first of the larger oil corporations to split up its shares this year. Gulf Oil gave 12 new shares for 1 old share, and charged par value of its stock from \$100 to \$25. Gulf Oil is understood to be controlled by the Mellon family, of Pittsburgh. Following close on Gulf Oil's action comes Standard Oil of California's 100 per cent stock dividend and Standard Oil of New York's 200 per cent payment.

Expectation now is that not only will Standard Oil of New Jersey and other Standard Oil units fall in line but that distributions of like character will be made by scores of big industrial and, possibly, railroad corporations whose surplus accounts bulk into the millions. If such turns out to be the case the Street will be flooded with new stock certificates, and we may fairly expect to see such public interest in the stock market as has never before been witnessed.

Six Standard Oil companies, which have not yet acted on stock dividends or surplus distributions so far this year, had a combined surplus at the close of 1921 amounting to over \$1,000,000,000. They include:

Standard Oil of New Jersey	\$594,000,000
Standard Oil of Indiana	143,000,000
Prairie Oil & Gas	86,000,000
Ohio Oil Co.	72,000,000
Vacuum Oil Co.	62,000,000
Atlantic Refining Co.	61,000,000

United States Steel is the leader of the general industrial group, with a profit and loss surplus at the close of 1921 amounting to \$508,000,000, or next to the Standard Oil of New Jersey among the corporations whose securities are listed on the stock exchange. Following comes American Telephone & Telegraph, which at the end of 1921 had a surplus fund in excess of \$108,000,000. General Motors, Texas Co., Swift & Co., Anaconda, General Electric, and Corn Products have surplus funds running to \$45,000,000 or better.

A partial list of industrial corporations with surpluses of \$20,000,000 or more includes:

Surplus, 1921.	
United States Steel	\$508,000,000
American Telephone & Telegraph	108,000,000
General Motors	83,000,000
Texas Co.	83,000,000
Swift & Co.	72,000,000
General Electric	70,000,000
Anaconda Copper	67,000,000
Corn Products Co.	45,000,000
Westinghouse Electric	42,000,000
Utah Copper	38,000,000
American Car & Foundry	36,000,000
United Fruit	35,000,000
American Woolen	31,000,000
Pittsburgh Coal	30,000,000
Mexican Petroleum	25,000,000
Pan American Petroleum	25,000,000
American Locomotive Co.	24,000,000
American Can Co.	23,000,000
International Harvester	22,000,000
National Biscuit	22,000,000
Woolworth	20,000,000
Pullman Co.	20,000,000
National Lead Co.	20,000,000
American Smelting & Refining	20,000,000

Among the rails Southern Pacific had surplus of \$283,000,000; Northern Pacific, \$183,000,000; Union Pacific, \$150,000,000; Atchison, \$138,000,000; and New York Central, \$100,000,000. A score of others had surpluses ranging from \$35,000,000 to \$90,000,000.

[From the New York World, December 6, 1922.]

BILLION DIVIDENDS IN STOCKS LAID TO SURPLUS TAX FEAR—PERLEY MORSE ALSO EXPLAINS THAT CORPORATIONS MAY THUS HOPE TO DISARM CRITICISM—POINTS OUT SHAREHOLDERS RECEIVE NO MORE VALUE—SWITCH MERELY MADE FROM SURPLUS TO CAPITAL—LIST OF 79 THAT CUT MELONS THIS YEAR.

Since the first of the year \$1,000,000,000 in stock dividends have been declared by 79 corporations. Such a record-breaking figure for stock dividends naturally has led to considerable public interest. What does the phenomenon mean? What is the reason for it?

Does a stock dividend of 200 shares added to 200 shares of 5 per cent stock already owned by a shareholder mean that the holder is the fortunate possessor of 400 shares of 5 per cent stock, or 400 shares of 2½ per cent stock?

ADVANCES TWO REASONS.

The Standard Oil companies alone accounted for \$781,324,311 of the immense total of stock dividends. The question of the explanation of the unprecedented performance was of such interest that the World yesterday sought the opinion of a recognized expert on financial matters. Perley Morse, head of Perley Morse & Co., public accountants, declared it to be his opinion that the corporations scent a surplus tax. He gave as a second cause the pressure of public opinion. This is Mr. Morse's analysis of the situation:

A FEW MELONS PRIOR TO DECEMBER 6.

These reasons speak for themselves.

"In my opinion, the reason why a great many of the large corporations are issuing stock dividends is because they expect sooner or later a tax upon their surplus; further, because they are liable to obtain less criticism from the public by paying smaller dividends upon a larger capital than larger dividends upon a smaller capital."

ONE POSSIBLE ADVANTAGE.

"The only possible advantage a shareholder gets by receiving a stock dividend is in cases where the old dividend is kept up upon the increased number of shares. If the company pays a reduced dividend on the increased number of shares equal to the dividend paid upon the old number of shares, the income to the stockholder is no different."

"The Standard Oil Co. excited a lot of criticism before and since its famous dissolution into numerous companies on account of the enormous dividends it paid upon its small capitalization, and it would not have done so if it had increased its capitalization to an extent that represented the value of its assets; while the United States Steel, when it was organized, was capitalized up to the full value of its assets and paid a much smaller dividend on its capital; hence excited less criticism."

CORPORATIONS AND DIVIDENDS.

Here are the corporations that have declared stock dividends, with the amount of their outstanding stock and the value of the dividend:

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, par value.
Allen Consol. Oil.....	\$2,192,095	\$109,600
Alliance Realty.....	2,000,000	500,000
Am. Bank Note.....	4,495,700	449,570
Am. Gas & Elec.....	5,604,480	116,031
Am. Lt. & Trac.....	28,077,280	858,000
Am. Mach. Fdy.....	2,000,000	4,000,000
Am. Manufacturing.....	8,000,000	800,000
Am. Radiator.....	13,806,225	6,903,113
Arundel.....	4,637,360	278,238
Atlantic Refining.....	5,000,000	45,000,000
Bank of N. Y.....	2,000,000	500,000
Beech-Nut P'g.....	955,400	3,821,600
Belding Bros.....	3,000,000	3,000,000
Bigelow-Hfid. Carpet.....	13,550,000	13,550,000
Borne-Scrymser.....	200,000	800,000
Bost. Sand. & G. (pf.).....	400,000	150,000
Burroughs Add. M.....	24,750,000	6,187,500
Bush Terminal.....	6,722,200	168,055
Cal. Tel. & Lt. (pf.).....	343,887	123,500
Canada Gen. El.....	10,800,000	2,160,000
Cin. Un. Stk. Yd.....	1,531,000	219,000
City Ice & Fuel (Cleve., O.).....	3,600,000	1,260,000
Commercial Credit (Baltimore).....	1,500,000	450,000
C'mm'n'h Fin. (shs.).....	59,354	.....
Crane.....	41,290,731	1,032,209
Cumberl'd P. & L. (pf.).....	2,300,000	230,000
Detroit Creamery.....	3,200,000	1,600,000
Du Pont Chem.....	600,000	675,000
Du Pont Chem. (pf.).....	2,942,710	3,310,549
Exchange Buffet (shs.).....	62,500	.....
Fed. Lt. & Trac. (pf.).....	2,500,000	1,050,000
Fidelity and Casualty.....	2,000,000	2,000,000
Finance Service.....	163,370	6,170
Gas & Elec. Sec.....	1,143,561	114,356
General Elec.....	147,538,814	8,609,715
Gibson Art.....	500,000	125,000
Gillette Safety Razor.....	23,320,000	1,428,000
Great Amer. Ins.....	10,000,000	2,500,000
Great North. Paper.....	8,272,000	16,544,000
Hanover Nat. Bank.....	3,000,000	2,000,000
Hayes Wheel.....	1,633,320	359,000
Hercules Powder.....	7,150,000	7,150,000
Helme, G. W.....	4,000,000	2,000,000
Humphreys Oil.....	8,577,500	6,422,500
Ingersoll-Rand.....	10,900,035	10,900,035
Int. Comb. Eng. (shs.).....	50,000	.....
Int. Harvester.....	93,638,000	3,782,975
Intertype Corp. (shs.).....	20,125	.....
Kellogg Switchboard & Supply.....	5,500,000	825,000
Manhattan Shirt.....	5,000,000	777,000
Minute Tapioca.....	200,000	100,000
National Biscuit.....	29,226,000	21,920,000
National Sugar.....	10,000,000	5,000,000
North-Am. (com.).....	15,033,200	150,232
Ohio Oil.....	15,000,000	45,000,000
Pacific Gas & E.....	34,004,058	680,081
Packard Motor.....	11,885,100	11,885,100
Reo Motor Car.....	6,937,150	6,937,250
Reynolds, R. J.....	10,000,000	3,333,333
Reynolds, R. J. (pf.).....	50,000,000	16,666,666
Royal Typewriter (pf.).....	3,771,700	2,308,971
Saco-Low'l Shops.....	3,525,500	1,762,500
Schrafft, W. F., & Sons.....	500,000	1,500,000
Scotton, Dillon.....	2,250,000	750,000
South States Oil.....	2,000,000	160,000
Spalding, A. G., & Bros.....	2,606,900	2,606,900
Standard Milling.....	7,410,142	4,446,085
Stand. Oil, Calif.....	100,971,111	100,971,111
Stand. Oil, Ky.....	6,000,000	2,000,000
Stand. Oil, N. J.....	98,338,300	393,353,200
Stand. Oil, N. Y.....	75,000,000	150,000,000
Stand. Steel Car.....	4,000,000	36,000,000
Stand. Undgrd. C.....	5,250,000	1,050,000
Texon Oil & Ld.....	1,904,761	95,239
Torrington.....	3,500,000	3,500,000
Union Nat. Gas.....	9,840,000	7,380,000
Union Oil of Calif.....	50,000,000	40,000,000
U. S. Guarantee.....	205,000	300,000
Un. Royalties.....	250,000	402,690
Vacuum Oil.....	15,000,000	45,000,000
Va. Ir. C. & C.....	10,000,000	5,000,000
Victor Talking M.....	4,999,000	29,994,000
Yale & T. Mig.....	4,998,774	4,998,774
Yellow Cab.....	500,000	1,500,000
Total par value of stock dividends.....		1,007,705,638

BENEFITS AVERAGE INVESTOR.

The splitting up of shares into smaller units through stock dividends places within reach of the average investor many stocks that formerly were looked upon as investments for the richest men only. Employees of the Standard Oil concern who have bought these shares during the past 15 years have seen some of them jump 1,000 per cent in value. Some of the stocks of other companies outside of the leading oil concerns have made an equally good showing.

Less than two decades ago the Standard Oil properties represented an investment of several hundred millions. To-day its properties and working capital are estimated at several billions. When the Standard Oil of New Jersey was dissolved, the \$100,000,000 capitalization was selling for about \$400,000,000. The stock dividends declared by the Standard Oil companies in the last 11 months have a par value about double that.

OTHERS THAT MAY "CUT MELONS."

To-day many corporations would be warranted in declaring stock dividends and it is expected that within the next year they will do so. The possibilities include United States Steel, Baldwin Locomotive, American Locomotive, American Car & Foundry, National Lead, General Electric, and United Fruit.

A GREAT, JUICY MELON.

Cutlery was an item boosted in the last tariff bill to the limit. Apparently there was a reason, if the following enormous melon of 16,000 per cent is any standard of profits:

PAY STOCK DIVIDEND OF 16,000 PER CENT—BROWN & SHARPE, OF PROVIDENCE, FILE NOTICE OF NEW DISBURSEMENT—BIG INCREASE BY WANSKUCK—WORSTED MILLS TO DISTRIBUTE 1,500 PER CENT—PAN AMERICAN TO PAY 20 PER CENT.

BOSTON, Dec. 15 (by the Associated Press).—Another batch of increased capitalizations, with consequent stock dividends, brought further Christmas distributions representing many millions of dollars to stockholders in New England corporations to-day. To the large sums already diverted from surplus and other companies there were added several actions of recapitalization and disbursement that ran into many hundreds per cent.

The Browne & Sharpe Manufacturing Co., of Providence, making machine tools, filed with the secretary of state notice that its capital stock had been increased from \$100,000 to \$16,000,000. A stock dividend of 16,000 per cent was voted to dispose of the new stock.

WILL DISTRIBUTE 1,500 PER CENT.

Stockholders of the Wanskuck Co., manufacturers of worsted, voted at Providence to-day to increase the capital stock from \$500,000 to \$8,000,000. They voted also to distribute among themselves the new stock as a 1,500 per cent stock dividend.

The York Manufacturing Co., of Saco, Me., making cotton cloths, by action of the directors, proposed to the stockholders a doubling of the \$1,800,000 capitalization with a 100 per cent stock dividend.

The Oakdale (R. I.) Worsted Co., after increasing its stock from \$60,000 to \$540,000, distributed the difference in the form of an 800 per cent stock dividend.

The Merrimac Woolen Co. increased its capital stock from \$750,000 to \$1,000,000 and provided for a stock dividend from capital and surplus, the exact amount of which was not announced.

The New Bedford Cotton Mills Corporation declared a stock dividend of 200 per cent, increasing its capital from \$350,000 to \$1,050,000 to make it possible.

20 PER CENT BY PAN AMERICAN.

NEW YORK, December 15.—E. L. Doheny, president of the Pan American Petroleum & Transport Co., announced to-day a 20 per cent stock dividend, payable in class B stock to holders of the common stock. Mr. Doheny said that the surplus of the company, after acquiring 90 per cent of the Mexican Petroleum Co., was more than \$30,000,000 and that \$12,000,000 of the surplus would be capitalized by the increase in stock.

PARKE, DAVIS & CO. TO DISBURSE 100 PER CENT.

DETROIT, December 15.—A stock dividend of 100 per cent, payable December 28, to stockholders of record December 18, was declared to-day by the board of directors of Parke, Davis & Co., drug manufacturers. Capital stock of the concern was increased from slightly less than \$12,000,000 to \$25,000,000, leaving slightly more than \$1,000,000 for the stock in the treasury.

In addition to the stock dividend, the directors declared a cash dividend of \$2 a share, amounting to 8 per cent, payable January 2 to stockholders of record December 18.

100 PER CENT BY SIMMONS CO.

KENOSHA, Wis., December 15.—The board of directors of Simmons Co. in Kenosha to-day declared a stock dividend of 100 per cent to be distributed among the stockholders of the common stock of the company. The new stock is to be issued immediately to stockholders of record November 30.

THIRTY DAYS' PROFITS REPORTED EXCEEDS GOVERNMENT DEBT PRIOR TO 1914.

Over a billion dollars distributed by Santa Claus gathered in from the rich and poor alike. All to escape any surtax, because of the Supreme Court stock-dividend decision in the MaComber case, 252 United States, decided 5 to 4 (see Mellon correspondence).

STOCK DIVIDEND TOTAL IS LARGE—RECORD DISTRIBUTION IN LAST 30 DAYS EXCEEDS UNITED STATES DEBT IN 1914.

This autumn will figure in the annals of finance as the period in which the distribution of stock dividends reached proportions never before known, not even in the days of large dividends by the Standard Oil before the war. In the last 30 days no less than 41 stock dividends and special distributions have been declared, the aggregate total of such dividends having been \$1,119,000,000, or more than the total public debt of the United States in 1914.

The campaign of stock dividends has its basis chiefly in the desire of big corporations to split up their shares so that the market price can be scaled down within the reach of the small investor. Various other reasons have been assigned for the numerous dividends, among these reasons being the desire to capitalize surpluses and put them beyond the reach of the tax collector.

Still another reason for the special payments and stock dividends is cited in the newly inserted provision of the 1921 income tax law which makes it possible for large holders of stocks to liquidate their holdings under what is known as the capital-investment tax. The section of the stock law covering this point makes it possible for large holders of securities, which were owned for a period of two years or more, to liquidate their holdings, and under the capital-investment clause pay a

straight tax of 12½ per cent on the profit from the sale of such securities in place of the regular surtaxes.

Regarding the many increases and resumption of cash payments, together with the payment of extra cash dividends, this is a clear reflection of the improvement noted in the business world since the beginning of the year and forecasts what these companies will show in earnings when the annual reports for 1922 are made public during the early part of 1923.

Some of the more important stock dividends declared by industrial corporations, banks, and trust companies within the last few weeks appear in the following table:

Stock dividends declared.
(000 omitted.)

Company.	Per cent.	Par value distributed.
Standard Oil of New Jersey.....	400	\$395,517
Standard Oil of New York.....	200	150,000
Standard Oil of California.....	100	100,971
Magnolia Petroleum.....	50	58,675
New York Transit Co.....	80	14,000
Standard Oil of Kansas.....	300	6,000
Standard Oil of Kentucky.....	33½	2,000
Solar Refining.....	100	2,000
Borne Strymser.....	400	800
Buckeye Pipe Line.....	25	15,000
Indiana Pipe Line.....	20	12,000
Ohio Oil.....	300	45,000
Vacuum.....	300	45,000
National Biscuit.....	75	22,927
Manhattan Shirt.....	20	1,000
National Fuel Gas.....	100	18,500
National Sugar.....	50	5,000
U. S. Gypsum.....	10	991
Great Northern Paper.....	200	16,800
Lawyers Mortgage.....	25	1,500
Ingersoll Rand.....	100	15,000
National Liberty Ins.....	50	500
Globe and Rutgers Ins.....	700	3,000
Babcock & Wilcox.....	33½	5,000
Great Amn Insurance.....	25	2,500
Lawyers Title & Trust.....	50	2,000
Bank of Manhattan.....	100	5,000
May Department Stores.....	30	6,000
Hanover National Bank.....	66½	2,000
Public National Bank.....	16½	500
Pan American Pete.....	25	17,500
Seaville Mfg.....	200	10,000
Singer Mfg. Co.....	33½	30,000
Timken Det. Axle.....	150	4,467
Union Natural Gas.....	75	7,500
Yale & Towne Mfg.....	100	5,000
American Steel Foundry.....	18	3,600
Hercules Power.....	100	10,000
Victor Talking Machine.....	600	30,000
American Machine & Foundry.....	200	4,000
Gulf Oil Corp.....	200	\$72,290

¹ Paid in cash.

² Not announced as a stock dividend, but distributed to stockholders under a plan of readjustment of capital.

\$1,200,000,000 IN MELONS.

Here are a few present and prospective melons that are self-explanatory:

MORE BIG FIRMS ORDER DIVIDENDS—FIFTY-FOUR CORPORATIONS HAVE NOW VOTED STOCK OR CASH PAYMENTS WITHIN MONTH.

(By the Associated Press.)

NEW YORK, November 21.—Four more large corporations to-day were added to the list of about 50 which within the last 30 days have declared extra stock and increased cash dividends approximating \$1,200,000,000.

The Packard Motor Car Co. has declared a common-stock dividend of 100 per cent, payable December 9.

The R. J. Reynolds Tobacco Co. declared a 33½ per cent stock dividend on common and common B stock, payable in common B stock December 2 to stock of record December 1.

The Southwest Pennsylvania Pipe Lines declared a quarterly dividend of \$4, payable December 30 to stock of record December 15. The dividend makes a total of \$7 for the year, an increase of \$1 over last year.

The Alliance Realty Co. declared a stock dividend of 25 per cent, payable December 5 to stock of record that date, and announced that stock so issued would participate in all cash dividends effective as of November 20. The company also declared the regular quarterly cash dividend of 2 per cent, payable January 16 to stock of record December 28.

ANOTHER BIG MELON.

BALTIMORE, November 21.—The Mortgage Guaranty Co., of Baltimore, has declared a stock dividend of 100 per cent, payable December 15 to share owners of record December 12. Stockholders also will receive the right to subscribe to 1,000 shares of stock (par value \$100) at \$150 a share in the ratio of one share for each two shares held. The shareholders will be asked to vote an increase in the stock from \$200,000 to \$500,000 on November 27.

NEW ENGLAND FIRM ACTS.

BOSTON, November 21.—A special meeting of stockholders of the New England Spring Bed Co. has been called for December 4 to authorize an increase of its preferred stock from \$500,000 to \$2,500,000 and of its common stock from \$500,000 to \$2,500,000.

The Reed, Prentice Co., of Boston, has filed a certificate with the commissioner of corporations showing an increase in its common stock from 7,500 shares of \$100 par value to 16,000 shares of no par value.

COAL NOT CORN PROFITS.

In recording profits it is well to remember that the farmers are not dividing these juicy melons. They are created by the farmers and other consumers, but the farmers are not cutting melons to-day brought about by raising wheat, corn, potatoes, or apples. They only help to grow melons that are not found in the farmer's field.

Here is a good side light on coal. Coal is a necessity, and it is a timely subject with the temperature hovering around and below zero in the Northwest to-day:

An investigation of bituminous coal mining profits by the Federal Trade Commission disclosed an average of 15 per cent net income upon investment for the four years 1916 to 1920. The high figure of 29 per cent was set in 1917. Over the six-year period 1916 to 1921 the average net income upon investment is computed at 14.5 per cent. Profits in the anthracite industry are even higher, net income for the seven years 1912 to 1918 averaging 21.3 per cent on capital stock on the basis of returns by leading producers. Results in the four following years were even more impressive, including 1922, when the formidable storage supplies were completely distributed at top prices which more than offset the cost of the strike.

In comparison the return on \$160,000,000 invested in the British coal mining industry is estimated below 9 per cent. This low figure is all the more surprising considering the close concentration of the mining companies into comparatively few and strong hands. In August, 1921, there were reported 1,160 companies operating 2,578 mines, but about half of these companies do not count. Around 98 per cent of the entire output is credited to 51 per cent of the companies.

EXPLAINS HOW MELONS GROW—LIKE THE SNOWBALL.

Speaking of coal, it is noted that melons grow like a snowball, and the consumers furnish the material apart from cash dividends and other regular corporate expenses.

SEE NO REASON FOR NEW STOCK ISSUES—RUSH TO DECLARE DIVIDENDS OF SURPLUS SAID TO BE BASED ON MERE SHADOW—TRADE EXPANSION CONTINUES—TEXTILE AND AUTO INDUSTRIES ARE MAKING RECORDS—LOADINGS SHOW PROGRESS.

(By Tracy J. Sutcliffe.)

NEW YORK, December 3.—The last week has been curiously lacking in economic developments of great significance. The stock market has moved within the narrow limits established by its professional character; the bond market has done much the same. Commodities have fluctuated over rather a wide range, particularly wheat, and foreign-exchange rates have moved in a fashion which before the war would have been epochal, but which now, due to tremendous speculation in foreign currencies, is regarded as more or less normal.

Perhaps the outstanding feature of the last week was the manner in which the rush to declare stock dividends by almost every company that has a sizable surplus broadened. Some weeks ago the Gulf Oil Corporation declared a 200 per cent stock dividend. This was followed by other large surplus distributions by some of the Standard Oil companies and then the smaller concerns fell into line.

GROWS LIKE SNOWBALLS.

Like a huge snowball this tendency has grown both in size and in velocity until now it amounts almost to hysteria. With a few exceptions, notable among which are the United States Steel Corporation and the larger railroads, a majority of the biggest industrial concerns in the country having large surplus accounts have taken the initial steps looking to the distribution of at least a portion of this surplus through the medium of capitalization.

In seeking a sound and substantial reason for this new condition, one meets only the single explanation of taxes. On all sides are heard stories of proposed revision of the Federal statutes which would place an impost on large corporate surpluses, but from official sources there has been a surprising reticence. Members of Congress have risen to demand of the Treasury Department why companies should be allowed to make these huge distributions which now amount to considerably more than \$1,000,000,000 in stock, and the Treasury officials have patiently answered that the law as it stands to-day is sufficiently broad to permit taxations against a huge surplus account when it is shown that that surplus is unreasonable.

STARTED BY GULF OIL.

It is intimated by a Treasury official that the present helter-skelter method of surplus distribution reflects only the hysterical reaction of timid capital frightened perhaps by a shadow. When the Gulf Oil Corporation decided to pay a big stock dividend the shadow first made its appearance. Everyone knew that this company was more or less under the control of the Mellon interests. Everybody knew also that Andrew W. Mellon was Secretary of the Treasury and they took it for granted that he "knew something." Next came the Standard Oil interests, and when they declared a series of large stock dividends the suspicion became a conviction. Thereafter a large number of companies that had piled up surpluses which were materially out of line with their capital accounts followed suit.

As a matter of fact it is quite unlikely that the Government has in mind any plan for the taxing of surplus accounts. It is reasonable to assume that if such legislation does develop it will be because the corporations have drawn attention to themselves through their hasty action. Except in rare instances stockholders have not benefited by this action. In the form of stock certificates, what was already theirs in the shape of surplus. Of course, a few companies have placed their increased capital stock on a dividend basis which nets stockholders a larger return in dollars and cents, and to that extent have the stockholders benefited. In more cases, however, the new dividends have been fixed at a rate which changes but slightly or not at all the aggregate disbursements of the corporations.

LITTLE CHANGE IN BUSINESS.

So far as business is concerned the last week has shown little in the way of change. Steel mills are still averaging from 75 to 80 per cent of capacity and the textile and automobile industries are making records. Bank clearings show the same tendency toward expansion as compared with a year ago and car loadings and car shortage suggest the same high rate of progress as has been apparent for several weeks. Money has been in freer supply due to the let-up in requirements of

the interior, but this is not especially important at this time because money has not been what might be called scarce this year.

Railroad earnings for the month of October which came to hand during the last week were not good, but all who have followed developments in the railroad industry and who have analyzed the situation carefully were expecting nothing else. So there was no great element of surprise there. Some of the carriers wrote off their entire strike losses in the month of September, but a far greater number preferred to extend these charges over the last four months of the year, and for this reason it is not unlikely that the monthly statements from now until the end of 1922 will be more or less disappointing. (Copyright, 1922, by Sun-Herald Corporation.)

MORE MELONS.

Here are a few melons, watermelons, and other varieties grown by the public for the melon cutters and gatherers. They were picked out incidentally because they attracted attention. All were ripe for picking:

MAY CUT 40 PER CENT MELON.

NEW YORK, December 1.—The Delaware, Lackawanna & Western Coal Co. to-day called a special meeting of stockholders for December 18 to act on a proposal to declare a 40 per cent stock dividend. The present capitalization of the company is \$10,000,000.

VICTOR VOTES \$5 DIVIDEND.

CAMDEN, N. J., December 1.—The Victor Talking Machine Co. to-day announced a dividend of \$5 per share on its new issue of common stock. The last dividend of the company was paid in October and amounted to \$10 a share. The old capitalization was \$5,000,000 and the new one is \$35,000,000.

WHITIN MACHINE TO PAY 1,400 PER CENT DIVIDEND, A RECORD.

NEW YORK, December 13.—(By U. N.)—The Whitin Machine Works, of New England, is about to pay a dividend of 1,400 per cent to its stockholders.

An increase in stock from \$600,000 to \$9,000,000 had been authorized. This is the biggest dividend yet declared by big corporations for the ostensible purpose of evading a tax on accumulated and undistributed earnings.

FOUR HUNDRED PER CENT "MELON"—PARK HILL CO. JOINS STOCK-DIVIDEND RANKS.

FITCHBURG, MASS., November 20.—The Park Hill Manufacturing Co. to-day announced a stock dividend of 400 per cent. This action was explained as intended to adjust a balance between a low stock capitalization and a heavy capital investment. The company's mills here manufacture gingham.

WALL STREET GOSSIP.

"Standard Oil has absolute control of industrial alcohol," is the statement of one close to the latter company's management. He declares that recent trading in the stock has originated with interests connected with 26 Broadway. Those usually familiar with Standard Oil affairs, in discussing the matter, point out that Standard Oil always had quite a little to say in industrial alcohol. Now that they have found that its products can be used advantageously, they naturally want more of a voice in the management. The company's sales are said to be running at the highest figure attained since the war boom. The financial position is said to be sufficiently strong to take care of the growing business. With continued improvement, it is expected that before long alcohol will join the growing list of companies resuming dividends.

UNENDING PROCESSION OF STANDARD OIL MELONS.

The "unending procession" of Standard Oil melons is marching on. The Atlantic Standard Oil cut only 900 per cent. Of course, that looks rather large to the farmer who is scratching to make ends meet, but he helped grow the melon, if that is any consolation:

Atlantic Refining, which has just declared a 900 per cent stock dividend, is expected to go on a dividend basis of \$1 per share for all the new stock. This would mean annual dividends of \$40 per share on the equivalent of one share of the present stock, on which the rate has been \$20 per year. While this new dividend rate has not been actually declared, it is reported that officials of the company anticipate such an increase. This is decidedly interesting in view of the fact that all of the Standard Oil companies which have declared stock dividends so far have been reticent on the subject of dividends, or, if anything has been said, the only inference that could be drawn has favored a continuation of the old dividend rate. The position of Atlantic Refining as the largest earner in the Standard group favors the larger disbursement.

THIS IS ANOTHER PICTURE OF THE SAME MELON.

[From the Financial Review, December 2.]

MORE S. O. "MELONS" PICKED FOR PUBLIC—EXTRA JUICY ONE OF 900 PER CENT.

The unending procession of Standard Oil stock dividends was enlivened by a "whopper" declaration of 900 per cent by Atlantic Refining Co., the largest "melon" cut by any member of the "trust" group this year. Standard of Indiana, which holds the distinction of having disbursed the largest stock dividend ever paid—2,900 per cent, in 1912—also entered the list, this time with a 100 per cent stock dividend declaration.

In the case of Atlantic Refining, no special meeting of stockholders to increase capital is necessary, as only \$5,000,000 is outstanding from \$50,000,000 authorized. Distribution will be made December 20 or as soon as possible thereafter. Larger cash dividends upon the new shares are also rumored.

Stockholders of Standard Oil of Indiana are called to a special meeting December 27 to increase the authorized capital from \$140,000,000 to \$250,000,000. The proposed stock dividend will be paid to holders of record December 28. This will be the third large stock dividend for Indiana Standard, the initial disbursement having been 2,900 per

cent, in 1912, and the second payment 150 per cent, in 1920, when par value was also reduced from \$100 to \$25. At the beginning of 1922 there was outstanding \$107,360,455 capital stock, which will now be brought up to \$214,720,910.

Share owners of Ohio Oil Co., Standard's big operating representative in the Northwest, have authorized increasing capital from \$15,000,000 to \$60,000,000. The additional stock will be distributed as a 300 per cent stock dividend December 30 to owners of record December 1. Directors have also posted the usual quarterly dividend of \$3 in cash, payable on the same dates.

Here comes the "manufacturer" that collects in the melons, from 100 to 16,000 per cent. He professes to fear that the tax-gatherer may limit his profits. He signals "Danger ahead."

[From the Manufacturer (semimonthly edition), published by the Manufacturers' Club of Philadelphia, November 25, 1922.]

"DANGER AHEAD."

With the installation in office of the new Congress there will be in existence a situation filled with constant danger to the conservative element and policies of the Nation. It will be the embodiment of the drift that has been going on in certain sections of the country, whose object is to "liberalize" legislation. There will be attempts to promote a line of legislative enactments utterly at variance with the ideas of those people who do not wish government to be something paternalistic. The conservative interests of the country can none too soon inquire what they purpose to do about it.

There will be projects of which our farm-loan enterprise is only a beginning, further cheapening the rates of interest for loans on agricultural products and widening the field to which this advantage may apply. There must be faced plans to have public ownership and operation of storage warehouses and grain elevators, such as was tried out in North Dakota. There will be attempts to have Government ownership of the railroads, the telephone, and the telegraph. Business surplus will be heavily taxed, stock dividends will be penalized, and an end put to tax-exempt securities, if the busy radical leaders can have their way. Who is to pay for all of this if the program goes through? The well-to-do people of the East, through income and inheritance taxes. The greatest war in all history saddled upon the American people a measure of taxation, including that of city, State, and Nation, wholly without precedent. The war has been over for years. Yet the prospect is now for higher taxes rather than lower. But it was only some 15 years ago that a Federal income tax was proposed for this country, to be greeted with a tremendous storm of opposition by a Nation free at that time from such a levy on business and industry. We have gone far since then along the tax road, from the day not far back when the Federal Government supported itself from customs and internal revenues.

One of the facts of American life is that government is the most expensive agency known to man for the conduct of business. * * *

GULF OIL'S PROFITS.

Gulf Oil that recently carried a 200 per cent melon is again in the limelight. It acquired undue prominence because of Secretary of the Treasury Mellon's share of the melon that began the fatal procession. Its significance occurs from the fact that Secretary Mellon can not impose the 25 per cent penalty on accumulations of surplus reaching, in one case I have quoted, to 16,000 per cent, because his own company, Gulf Oil, started the melon cutting. All this has been discussed in the Mellon correspondence but it was not then known that other dividends were to be issued on the heels of the melon carving of Secretary Mellon's company:

[From the New York World, December 20.]

STOCK DIVIDENDS IN MORE STOCKINGS—HUMBLE AND GULF OIL COMPANIES REMEMBERED BY SANTA—IN OTHER LINES.

Directors of the Humble Oil & Refining Co. have declared a 75 per cent stock dividend and also ordered that the present capital stock of \$100 a share par value be changed to \$25 par. This will give each holder of the present \$100 stock seven shares at a lower par value.

The action of the directors increases the capital stock from \$25,000,000 to \$43,750,000. The company has also declared the regular quarterly dividend of \$2 on the old stock of \$25,000,000, payable January 1. Stock declaration is payable December 30. It is stated that the dividend on the new stock will be at the rate of \$1.20 a share a year. The Standard Oil Co. of New Jersey is the largest stockholder in the company. At last reports the company was credited with holding about 70 per cent of the Humble Co. stock.

Directors of the Gulf Oil Corporation, which is controlled by the Mellon interests, met in Pittsburgh and declared a quarterly dividend of 37½ cents on the new \$25 par stock, payable January 2 to stock of record December 20. This rate is equivalent to \$18 a year on the old stock, which paid \$6 yearly.

A meeting of the preferred and common stock holders of the Saco-Lowell Shops has been called for December 28 to increase the capital stock of the company by authorizing \$2,643,800 par value new second preferred stock. It is understood that the entire amount of the stock will be disbursed to the common-stock holders as a 50 per cent stock dividend.

STERLING PRODUCTS IN LINE.

The Sterling Products Corporation has increased its dividend from 75 cents quarterly to \$1 quarterly, and the stockholders will receive the increase February 1 next. It will be paid to stock of record January 12.

The banks are showing up well in the general prosperity. Among those that will gladden the stockholders' Christmas is the Nassau National. It has just declared its regular 3 per cent quarterly dividend and also an extra of the same amount, both of which are payable January 2 to stock of record December 28.

Chicago Railway Equipment Co. yesterday declared the regular quarterly dividend of \$2 and a stock dividend of 50 per cent, both payable December 30 to stock of record December 19.

The United Engineering & Foundry Co. has declared a stock dividend of 50 per cent on the common, payable December 30 to holders of record December 23.

Falling off in the trade of the shipping companies caused the American-Hawaiian Steamship Co. yesterday to cut its quarterly dividend

to 25 cents a share, as against 37½ cents, which the company paid in the preceding quarter. The dividend just declared is payable January 2 to stock of record December 20.

MINING COMPANY INCREASE.

Stockholders of the Tamarack & Custer Consolidated Mining Co. have voted to increase the capital from \$2,000,000 to \$5,000,000, and the directors have declared a stock dividend of 166 per cent, payable December 30 to stock of record December 28.

To permit payment January 2 of a 100 per cent stock dividend to holders of record December 30, the stockholders of the Worcester Salt Co. yesterday voted to increase the capital from \$1,000,000 to \$2,000,000, the increase being provided by the transfer of \$1,000,000 from the surplus and undivided profits to capital account.

Delaware, Lackawanna & Western Coal Co., which has just declared a 40 per cent stock dividend, will pay it to owners of record December 18. The action of the stockholders increases the capital \$4,613,490, or to \$16,147,215. Stock has \$50 par and has paid 10 per cent annually since organization in 1909, in addition to frequent extra cash dividends, aggregating 265 per cent, between 1913 and 1920. This is the first stock declaration. The authorized capital is \$20,000,000.

Standard Oil issues.

	Bid.	Asked.
Anglo-American Oil Co. (Ltd.).....	17½	17½
Atlantic Refining Co., new.....	112	116
Atlantic Refining Co., preferred.....	117	119
Borne-Serymser Co.....	118	123
Buckeye Pipe Line Co.....	85	87
Cheesebrough Manufacturing Co. consolidated.....	210	225
Cheesebrough Manufacturing Co. consolidated preferred.....	112	115
Continental Oil Co.....	149	151
Crescent Pipe Line Co.....	43	45
Cumberland Pipe Line Co.....	162	166
Eureka Pipe Line Co.....	96	98
Galena-Signal Oil Co. preferred new.....	104	107
Galena-Signal Oil Co. preferred old.....	108	110
Galena-Signal Oil Co. common.....	56	58
Humble Oil & Ref. Co. \$25 par when issued.....	33	35
Illinois Pipe Line Co.....	158	162
Imperial Oil, Ltd.....	113	115
Indiana Pipe Line Co.....	89	91
International Petroleum Co., Ltd.....	20½	20½
Magnolia Petroleum Co.....	160	164
National Transit Co.....	26	26½
New York Transit Co.....	129	132
Northern Pipe Line Co.....	100	102
Ohio Oil Co. new.....	70	74
Penn-Mex Fuel Co.....	16	19
Prairie Oil & Gas Co. new.....	205	210
Prairie Pipe Line Co.....	813	815
Solar Refining Co.....	355	365
Southern Pipe Line Co.....	100	103
South Penn Oil Co.....	158	162
South West Penn Pipe Lines.....	64	67
Standard Oil of Calif. \$25 par new.....	56½	57½
Standard Oil of Indiana \$25 par.....	114½	115
Standard Oil of Kansas \$25 par new.....	42	42½
Standard Oil of Ky. \$25 par new.....	70	73
Standard Oil of Nebraska.....	185	195
Standard Oil of N. J. \$25 par when issued.....	38½	39½
Standard Oil of N. J. preferred.....	116½	117½
Standard Oil of N. Y. \$25 par value when issued.....	45½	46½
Standard Oil of Ohio new.....	260	270
Standard Oil of Ohio preferred.....	117	119
Swan & Finch Co.....	24	28
Union Tank Car Co.....	130	135
Union Tank Car Co. preferred.....	108	110
Vacuum Oil new \$25 par when issued.....	40	40½
Washington Oil Co.....	24	27

MISCELLANEOUS OIL COMPANIES.

Atlantic Lobos Oil Co. common.....	6	6½
Atlantic Lobos Oil Co. preferred.....	20	30
British American Oil Co., Ltd.....	35	37
Gulf Oil Corporation \$25 par.....	40½	50
Merritt Oil Corp.....	6½	6½
Mountain Producers Corp.....	16½	17½
Mutual Oil Co.....	11	11½
Salt Creek Consolidated Oil Co.....	10	10½
Salt Creek Producers Assoc.....	20	20½
Sapulpa Refining Co.....	2½	3
Western States Oil & Land Co.....	20	25

STANDARD OIL'S LIST.

From the press we learn of Standard Oil's private preserves, which include well-grown melons, properly preserved:

[From the New York Times, November 22.]

STANDARD OILS PAID \$881,960,684 IN 1922—TOTAL DISTRIBUTION SINCE DISSOLUTION OF OLD NEW JERSEY COMPANY IS \$2,389,698,252—PRESENT YEAR SETS RECORD—EXCEEDS ANY PREVIOUS TWELVE-MONTH PERIOD BOTH IN CASH AND STOCK DIVIDENDS—MORE PAYMENTS EXPECTED—EXTRA DIVIDENDS IN MONEY AND SHARES ARE LOOKED FOR FROM SEVERAL PIPE LINES.

The various companies comprising the so-called Standard Oil group have distributed to stockholders during the current year a total of \$881,960,684, either in the form of cash dividends, "rights," or stock dividends. In the 10 years, 1912 to 1921, inclusive, a total of \$1,507,082,568 was distributed in the same forms, making a total of \$2,389,593,252 since the dissolution of the old Standard Oil Co. of New Jersey in 1911. The cash dividends distributed this year, amounting to \$128,856,373, establish a new high record for any year in the history of the independent operation of the various units of the old company, while the stock dividend distributions this year also establish a high record.

A recapitulation of the total for 1922 and the previous decade follows:

Total cash dividends.	Total par value stock dividends.	Total par of rights.
1922—\$128,856,373.....	\$751,104,311	\$2,000,000
1912-1921 inclusive—\$924,855,968.....	288,200,000	294,576,600
Total for 11 years, 1912-1922 inclusive—\$1,053,712,341.....	1,039,304,311	296,576,600

Prior to 1922 the largest total in any year in cash dividends was \$115,736,793 for 1920, which was nearly duplicated in 1921.

The record of cash and stock dividends declared by the various companies since January 1, 1922, up to the present time, as compiled by Jenks, Gwynne & Co., is as follows:

Name.	Total cash.	Total par value in stock.
Anglo-Amer. Oil.....	\$1,980,000	.....
Atlantic Refin., com.....	1,000,000	.....
Atlantic Refin., pf.....	1,400,000	.....
Borne-Serymser.....	70,000	\$800,000
Buckeye Pipe Line.....	7,000,000	.....
Cheesebrough Mfg., com.....	210,000	.....
Cheesebrough Mfg., pf.....	70,000	.....
Cumberland Pipe Line.....	180,000	.....
Eureka Pipe Line.....	400,000	.....
Galena Sig. Oil, com.....	160,000	.....
Galena S. O., old pf.....	160,000	.....
Galena S. O., new pf.....	320,000	.....
Illinois Pipe Line.....	2,800,000	.....
Indiana Pipe Line.....	3,000,000	.....
National Transit.....	1,080,000	.....
New York Transit.....	4,800,000	.....
Northern Pipe Line.....	400,000	.....
Ohio Oil.....	5,400,000	45,000,000
Prairie Oil & Gas.....	4,140,000	.....
Prairie Pipe Line.....	4,820,000	.....
Solar Refining.....	300,000	2,000,000
Southern Pipe Line.....	800,000	.....
S. W. Pa. Pipe Line.....	245,000	.....
South Penn Oil.....	1,200,000	.....
S. O. of California.....	16,165,373	100,971,000
S. O. of Indiana.....	17,175,873	.....
S. O. of Kansas.....	300,000	6,000,000
S. O. of Kentucky.....	1,260,000	2,000,000
S. O. of Nebraska.....	600,000	.....
S. O. of N. J., com.....	19,676,660	393,333,200
S. O. of N. J., pf.....	13,573,862	.....
S. O. of New York.....	12,000,000	150,000,000
S. O. of Ohio, com.....	1,120,000	7,000,000
S. O. of Ohio, pf.....	490,000	.....
Union Tank Car, com.....	840,000	.....
Union Tank Car, pf.....	840,000	.....
Vacuum Oil.....	2,400,000	45,000,000
Total.....	128,856,373	751,104,311

¹ The outstanding amount of each of these stocks has been slightly increased since Dec. 31, 1921, but as the exact amount is not known yet, total payments are calculated on the Dec. 31, 1921, capitalization.

In addition to the companies mentioned above which have declared large stock dividends, similar action is expected by other units before the end of the year, while some of the pipe-line companies are expected to declare extra cash dividends. Those companies which are expected to declare stock dividends include the Atlantic Refining Co., Standard of Indiana, Prairie Oil & Gas, Prairie Pipe Line.

The Standard Oil Co. of New Jersey leads the list in both cash and stock dividend distributions. In the payments from 1912 to 1922, inclusive, this company disbursed a total of \$216,344,436 in cash on the common stock, \$37,599,278 on the preferred, or a total of \$253,943,714, which is approximately one-fourth of the cash dividends distributed by all companies. Its subscription rights (to preferred stock) total \$196,766,000, or about two-thirds of all rights given by these companies in the 11 years. Its stock dividend of \$393,333,200 par value is about a third of the total par value of stock dividends by the entire group.

FEARS OF TAXATION.

The following is not of special moment excepting it explains why the vast crop of melons were cut after they were ripe. It would be cruel on the part of the new Congress to do anything that would disturb the melons or melon cutters, and Congress rarely does cruel things. It allows tax-free securities, or, rather, the Supreme Court allows all kinds of escape from the income tax, and that is law to-day:

STOCK DIVIDEND LAID TO FUTURE TAX FEARS—DISTRIBUTION OF SURPLUSES DUE TO POSSIBLE DRASTIC ACTS BY NEW CONGRESS.

NEW YORK, December 4.—With stock dividend declarations announced by leading Standard Oil companies and other prominent industrial corporations during the last few months amounting to approximately \$1,500,000,000, the question as to what is the purpose of this flood of stock distributions continues to attract more attention as one announcement of such a dividend follows another. That the question of taxes is back of the entire movement, says the New York Times, is the belief which dominates in the financial district, but as already pointed out there is also the desire on the part of the officials of companies whose stocks have been selling higher to bring down quotations to a level which would appeal more to the general investing public, and also the desire of these officials to bring capital more in line with the investment in the business rather than continue to pile it up in surplus accounts. These latter reasons, however, are considered of minor importance so that all arguments are based upon the question of taxes.

In regard to taxation, the provisions of the present law are well known. These are not believed to be the cause for the recent flood of stock dividend announcements. What the officials fear, according to opinion, is the possibility of drastic revision in the tax laws when the new Congress meets for regular session. Before this takes place, however, it is expected that agitation will be brought about to have the entire question of the taxability of stock dividends presented to the Supreme Court for review.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

[By unanimous consent Mr. FREAR was granted leave to revise and extend his remarks in the RECORD.]

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, I should perhaps ask the pardon of the House for taking up the amount of time assigned to me out of the time allotted for the discussion of this important bill, and I am going to do my very best to get through in less than 30 minutes and yield back some of the time to the gentleman in control of the time.

This is the annual appropriation bill dealing with the great industry of agriculture. During the past two years the people of the Nation apparently have come to appreciate the importance of agriculture, not only as the source of their food and clothing but as the source of business, as the root of our entire industrial plant in a most definite sense. During the first of the period of readjustment following the war, when the strain, the pressure, came against the interrelated industries of the country, we broke at the point held by agriculture because there was no economic strength there. When agriculture lost its purchasing power the factories were closed, and idle men walked the streets of the great cities of this country. I believe we have reached the point where definite results of universal benefit may be expected. We now have all sorts of blocs—we have the farm bloc in the Senate and the farm bloc in the House, and everybody is trying to do something for the farmer. When the President appeared before the House and Senate in joint session the other day he made certain observations and recommendations, and I ask the Clerk to read from that address the paragraphs which I have marked.

The CHAIRMAN. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

There are necessary studies of great problems which Congress might well initiate. The wide spread between production costs and prices which consumers pay concerns every citizen of the Republic. It contributes very largely to the unrest in agriculture and must stand sponsor for much against which we inveigh in that familiar term—the high cost of living.

No one doubts the excess is traceable to the levy of the middleman, but it would be unfair to charge him with all responsibility before we appraise what is exacted of him by our modern complex life. We have attacked the problem on one side by the promotion of cooperative marketing, and we might well inquire into the benefits of cooperative buying. Admittedly the consumer is much to blame himself, because of his prodigal expenditure and his exaction of service, but Government might well serve to point the way of narrowing the spread of price, especially between the production of food and its consumption.

Mr. SUMNERS of Texas. Mr. Chairman, it is in no spirit of criticism that I direct attention to that part of the President's message, and direct attention to the fact that some time ago you authorized that this identical study be made. You created a Commission on Agricultural Inquiry, of which Mr. ANDERSON, the gentleman in charge of this bill, was the chairman. That commission made a concrete recommendation to the country after nine months of exhaustive study, and I ask the Clerk to read that.

The Clerk read as follows:

With the better organization and standardization of farm production, the organization of farmers' cooperative associations, the evolution of grades more accurately reflecting the qualities of farm products in relation to use, the establishment of concentration warehouses at points within the areas of production, issuing receipts or certificates which clearly indicate such grades and guarantee the physical protection and quality of product. It should be possible to develop a system of commodity exchanges through which these commodities may be sold and under which such products will move directly from areas of production to points of use under prior sale without the necessity of previous inspection and with the assurance of delivery of a product by grade conforming to the user's or consumer's requirements.

Mr. SUMNERS of Texas. Mr. Chairman, I want to discuss as briefly as I can those recommendations.

My observation during my period of service in Congress is that we talk too much, too generally, investigate too much, study too much, and do not undertake to apply to a given situation the knowledge which we acquire. Let us see what the concrete suggestions are.

Of course, we require in this country a system of long-time agricultural credits. Everybody recognizes that, and a bill has been introduced looking to that end. In this connection,

may I say that we have made a fundamental mistake in dealing with the extension of agricultural credits in taking the position that paper secured by agricultural commodities being held by producers ought not to be regarded as eligible for rediscount through the Federal reserve system. It is nobody's business when the farmer sells his commodity. He raises it and it is his, and as long as he tenders a good sound basis for credit he ought to be the judge of when it is to be sold. If he is permitted to hold it, instead of the speculator, the consumer will not have to pay a speculator's profit. That is not merely to the interest of the agricultural producer. I make the further suggestion that we are rapidly moving toward a condition in this country with regard to the volume of agricultural production when there will not be sufficient surplus carried over from the years of high production to make sure a sufficient surplus in the lean years. The difference in the price of the same commodity from year to year is too great. It is of the highest importance that somewhere we find, and find soon, in the economic structure of this country a reservoir where we can hold over from the years of high production to supplement the yield of the years of low production.

There is too much uncertainty as to when the bugs or the droughts will come. The manufacturer can speed up to meet any emergency demand. With a given amount of equipment and material he can calculate with certainty almost as to his future output. Farmers can not do that. The farmer who helps to carry over from a bountiful harvest helps to guard the people against hunger, or at least ruinous prices when the lean years come.

If we make it possible for the farmer, when the volume is excessive and the price is low, to carry this surplus himself, then there will be something for the people in the city to eat when the bugs and the drought comes, and we will not have this spread of price which we now have, which ruins farmers when the yield is good and makes the cost of living too heavy a burden in the lean years.

I ask nothing for the farmer which is not in accord with the highest public interest. We have reached the point where that interest demands a definite, comprehensive, constructive policy for agriculture. Much of this demand for radical legislation comes as a penalty for inexcusable delay. In addition to a proper credit system, not one cut to fit the necessities of the manufacturer or of the merchant, but of the farmer, we must find a way to shorten the route of physical movement of agricultural products, and in some way we must reduce the number of intervening profits.

In some way we must reduce the physical waste of these commodities after they have been harvested. These are the definite concrete propositions which challenge us now as a people. Those are the things which enter so largely into what we call the high cost of living. They cause the farmer to get too little and compel the consumer to pay too much. How are we going to do it? How can it be done? There is but one way to do it, and I submit with all deference to gentlemen who might differ—I do not believe they differ—we must make it possible to deal with agricultural commodities on paper. In addition to credits we must evolve a better method of sales and distribution of agricultural products than the shipping of those commodities from the farms to the concentration centers to find a market. If we are to effect the greatest good, they must move from the place of first concentration to the points of use by the shortest railroad and steamboat line. In order to do that they must move under prior sale or with an assurance of use at destination equivalent to that. There is no other way to do it. The time has come when we must stop running around in a circle. If I may be permitted to speak the certainty which I feel, this is the only route that we may travel with a warranted hope of success. It is the first essential, gentlemen, that agricultural commodities be standardized with regard to requirement for use, and the quicker we learn the better.

You never can take these so-called produce exchanges that are privately owned, merchant controlled, where gambling transactions are admittedly carried on, and build upon them as a foundation a real market for agricultural commodities. [Applause.] During the 10 years almost of my service I have seen the Congress legislating, legislating, trying to compel this service from privately owned institutions which say they can not function in that regard. The fact that we have been trying to compel them to render this service is an evidence of our belief that it is needed. They do not want to, can not, and we know if forced to the effort would desire to fail, and yet we continue to try to have them perform this public function. I offer no apology for this statement. From times most remote the establishment and regulation of public market facilities has been recognized as government's chief duty with regard to com-

merce. That duty discharged in adjustment with modern economic conditions and trade necessities, not the buying and selling for the people, but the creation of the possibility of general trade contact, and the necessity for many of our regulatory laws would disappear, democracy in business opportunity would be established, and the laws of commerce which God has made would have a chance to operate. I make this general observation as a preface to the statement that it is at the marketing end where the chief difficulty of agriculture lies, and there the chief duty of the Government is. Unreasonable demands upon the Government come largely from the failure of the Government to do what it ought to do at the time it ought to be done.

Let us forget about these so-called produce exchanges. They never can function directly in the economic sale and distribution of farm products. These products are capable of being dealt in on paper, of being bought and sold for shipment to any point of consumption in the world while they are still at the points of first concentration. It is difficult, of course. Everything worth while is difficult. But we have reached the point where we must tackle the job. First, these commodities must be graded according to requirement for use, as distinguished from requirement for future board transactions. Each considerable quantity possessing distinctive characteristics determinative of the use to which it is best adapted must have a separate grade classification. If we will get away from the limitations imposed by the future boards, it can be worked out.

Mr. CLARKE of New York. Is it not true the Secretary of Agriculture is just now through its department carrying on an investigation of the standardizing of tobacco, for instance, and—

Mr. SUMNERS of Texas. Yes; much work, and what I say is not in criticism of the Department of Agriculture. What I am trying to do is to get before us a picture of the structure of economic strength which we must build for agriculture. It was brought out in the hearings of the Commission on Agricultural Inquiry that nobody who wants to use cotton or grain can depend upon the purchase of those commodities through any of the so-called exchanges. Why? Because they have in mind a particular sort of finished product which requires for production a particular sort of raw material, which they can not depend upon getting when they purchase through the exchanges or when they purchase by grade, due largely to improper and incomplete grade classifications, which in turn is to a degree due to the influence of future board requirements. With these commodities properly standardized, and when they are stored in the warehouses where they are physically and morally protected, and the warehouse issues a certificate that indicates the exact quantity and quality of the commodity, and that warehouse receipt has behind it financial responsibility that guarantee both physical protection of the commodity and integrity of the whole transaction, then you create a universal potential commercial status for that commodity while it is still at the point of first concentration. In other words, the commodity can stay where it is while you send that which represents it into the market to be sold.

Proper standardization, proper system of warehousing, and then the third thing that is necessary, namely, the place where that certificate, representing the actual commodity stored in the warehouse, physically and morally protected, can be offered for sale, some place, not a little obscure place hidden in a department, but some place, figuratively speaking, which stands on the hilltop of commerce where everybody who has a commodity for sale can offer it by its descriptive grade and everybody who wants to buy can buy, not necessarily in person but by telegraph or through an agent on the ground. That is a mere detail. This would create the possibility of universal trade contract between people who have commodities for sale and people who want to buy.

Mr. McKENZIE. Will the gentleman yield?

Mr. SUMNERS of Texas. In a moment. That would make possible for cotton in a warehouse in Waxahachie, in my district, properly classified, properly certificated, properly protected, and properly guaranteed—it would make it possible for that cotton while remaining there to be placed in trade with China, Liverpool, Bremen, Havre, or wherever cotton is used. Then when it is sold it could move from Waxahachie by the shortest physical line to the point of use with the minimum number of intervening profits and charges.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. McKENZIE. I just wish to ask the gentleman from Texas, who is an expert on these matters, if he does not believe, as an alternative to the proposition that he has just now laid down concerning the warehousing of all these products,

that if the suggestion of the President of the United States, made recently, were followed by Congress and credit could be extended to the farmers of the country on their products, such as wheat and cotton, would it not be better to have the farmer build his own granary or his own warehouse for storing his wheat or his cotton if he had the credit and he could hold it there himself and avoid one of the things we are now cursed with, and that is the lack of transportation occasioned by all of the farmers in a certain section wishing to take advantage of the market at the same time?

Mr. SUMNERS of Texas. I have the same object in view, and I thought I had made myself clear. I agree with the President as to the necessity of having long-time agricultural credits. I agree thoroughly with the President that we must get rid of what we call "crop-moving periods." It taxes unnecessarily the financial institutions of the country and the transportation facilities of the country. It is a foolish thing. But the point I make is, in addition to long-time credit, is that it is highly essential that these commodities move under prior sale from the point of first concentration to the point of use by the shortest physical line. I want to make it possible for the farmer to hold his stuff until the market condition is ripe for sale, and then when he, with a group of other farmers selling in cooperation, wants to sell they have a chance in trade contact with the general markets of the country and of the world. I do not believe it is possible for an individual farmer not acting in cooperation with his neighbors, even if he has got credit or if acting with them to accomplish what is desired, unless there be the chance to reach the general market before the products are shipped for sale. We must not be mistaken or confused about the value of credit. Credit is valuable, but credit means interest and a sale at some time to pay the principal and interest. A better marketing system will be as badly needed when the sale is made as if no credit had been extended. They are both needed. That is the point. It takes all of what I have enumerated, if I may use the figure, to span the difficulty. Credit for orderly marketing, but the broadest possible market in which to sell.

I would not have in mind the idea that immediately after the harvest the farmers would send all the commodities they contemplated selling into a public warehouse; but I do believe that you must be able to put somewhere behind these commodities such assurance of financial responsibility as that a stranger, a man who has never seen the commodity, who has no knowledge of the financial responsibility of the owner or of his integrity, would have full confidence to buy the commodity. In other words, to do with regard to agricultural commodities what we have done with regard to rural credits. Under our farm land bank system a farm is appraised and put under mortgage, and a man in New England buys that mortgage on a Texas farm, we will say, which he has never seen. He does not know whether the man who owns it is a thief or not; he does not care. He has confidence in the intervening agency of inspection and guaranty. The difficulty with regard to sale of agricultural commodities is almost identical with the difficulty with regard to the sale of rural credits.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BANKHEAD. I do not want to divert the gentleman from his argument, but he said that one difficulty about our deliberations on these matters was that we talked a great deal and did not get down to concrete action. Now, as to the classification of commodities and the warehousing of commodities, does the gentleman think that should be done by private enterprise and cooperation, or should there be a quasi authority or an absolute authority over these agricultural functions? What is the gentleman's thought on that?

Mr. SUMNERS of Texas. I have thought very much of that. I do not advocate Government building warehouses. The gentleman's question touches the only point where there is any reason or excuse for making an additional study. In my judgment it is a matter of ascertaining in the general coordination of the national and State departments of agriculture the distribution of governmental assistance and supervision. The total of that in turn will depend upon how much of that which is required to be done can be left to cooperative effort and private agencies. The first thing, however, is for us to agree as to what ought to be done. The Department of Agriculture of the Nation, the departments of agriculture of the several States, with no great readjustment can, if agreed to be necessary, provide the Government's share of aid, and the cooperative organizations of the farmers I believe can supply the rest. That is the only study yet to be made. I do not know, but I do have this in mind, the thought that the Department of Agriculture of the Nation, created by the Gov-

ernment and its people to help deal with the big problems of agriculture, ought to feel, and I hope it does feel, the same degree of responsibility and duty in helping agriculture to deal with the big problems of sale and distribution that it feels when it renders service with reference to the problems of production and preservation of soil fertility. The fact is, gentlemen, practically speaking, if you help agriculture to deal with the sale and distribution end of its business, the point where the nerve center of agriculture is now located, if you help the farmer get a fair share of what the consumer pays for his commodity, the question of production and preservation of soil fertility will pretty largely take care of themselves. [Applause.]

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. LAZARO. Does not the gentleman believe that if we could get money on longer terms or at a lower rate of interest and then take advantage of the national warehouse law that we have and of the cooperative marketing law, we could get along fairly well?

Mr. SUMNERS of Texas. I believe we could get along fairly well and very nicely. But I do insist, my good friend, that we need the things that I have enumerated. We need the credit which the gentleman has spoken of. We need the warehouse system that he has spoken of. We need the proper standardization of these commodities by which they can be given a universal trade status while at the point of first concentration; and then when we have the agricultural product ready for sale we need a place that sustains relatively the same position with regard to the commodity that a jockey yard bears to the fellow who has a horse to swap. I do not want to stop short of the manifest destination. This grading is to prepare for sale by grade. This warehousing is to protect physically and provide a guaranty of correct grading. This credit is to make orderly marketing possible. Then the next thing obviously is the market place; otherwise we have it all dressed up with nowhere to go. The market is the objective. Let us provide the possibilities of trade contact.

In the little country towns in my country we used to have a place near the courthouse square where on first Mondays every man knew who had a horse to swap that he could find other people of similar disposition, and by assembling there it saved a great deal of time and expense and trouble in the horse swapping that the country did. I want to create that which in the sale of farm products by grade will be to such sales what the jockey yard was to horse swappers, except that that which represents the commodity would be sent to market, and when the commodity moves it would not be to market but to the place where it would be consumed.

Mr. LAZARO. Let us see if I have this thing right now. Under the national warehouse law the farmers of your country, for instance, could build a bonded warehouse, could they not?

Mr. SUMNERS of Texas. Yes.

Mr. LAZARO. Every bale of cotton in this bonded warehouse would be weighed and graded by a Government agent, who would be neither a buyer nor a seller. Is not that true?

Mr. SUMNERS of Texas. Yes.

Mr. LAZARO. Then with a receipt issued by that bonded warehouse, all it would need would be someone willing to loan money on long time at a low rate of interest, and a man could borrow money on his warehouse receipt.

Mr. SUMNERS of Texas. If the gentleman will excuse me, I should like to proceed in the order which I have in mind.

Mr. LAZARO. I should like to get the gentleman's views on this national warehouse proposition.

Mr. SUMNERS of Texas. I have tried to make myself clear on it. In my judgment, it is going to take all four of the things I have enumerated to put agricultural commodities in trading contact with the market so as to reduce to a minimum the intervening profits, reduce physical waste, and make it possible for the farmer to get a larger share of the dollar that the consumer pays than he now gets. That is the thought I have in mind. Each of the things which I have enumerated sustains a natural relationship to the others. They are parts of the whole. They fit into each other. Each is, in the nature of things, dependent upon all the others for its proper functioning. To illustrate, agricultural commodities properly standardized, physically and morally protected in a warehouse and in general trade contact with the markets all the time through a real produce exchange, would constitute the best and safest possible basis for the rural credit system we have been talking about. Such commodities, in the event of their distress due to the financial necessities of their owners and your market conditions, would have a chance to be reached by the specu-

lative energy of the country, which now is absorbed by chalk-mark transactions on future boards.

Mr. WHITE of Kansas. Will the gentleman yield?

Mr. SUMNERS of Texas. I do not know how much time I have remaining. I had 30 minutes to begin with.

The CHAIRMAN. The gentleman has consumed 28 minutes. He has 2 minutes remaining.

Mr. SUMNERS of Texas. I yield to the gentleman from Kansas.

Mr. WHITE of Kansas. Is the gentleman prepared to state how he would apply his idea to the live-stock industry? I am very much interested in that.

Mr. SUMNERS of Texas. I will try to state it very briefly. I can not speak as an expert, as the gentleman can in regard to live stock, but I have been out on the ranches a good deal. I believe if we had a proper system of standardization of live stock the gentleman from Kansas could go into a herd of 1,000 white-faced cattle and separate them into five different bunches of more uniformity than any expert cotton grader can separate 1,000 bales of cotton into five lots. That is my idea.

Mr. WHITE of Kansas. The gentleman compliments me too highly.

Mr. SUMNERS of Texas. I think it can be done. I have talked with a great many ranchmen who seem to think it can be done. If it can be done, then that is the end of it. If practical, this is true if you had a market herd graded, you could list that market herd by grades and thereby put it in trading contact with every packing house while the herd was still on the range. When it was moved it would be moved to the point of purchase for slaughter with no uncertainty as to price, and you would not be at the disadvantage at which you now are, after you have shipped your stock into the cattle pens, where they have to be maintained at a high cost, and are subject to shrinkage, and you are almost at the mercy of the men who want to buy. You do not have a fair trade opportunity.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WARD of North Carolina. When the gentleman extends his remarks I ask him to elaborate them by stating his machinery for selling and for reaching the market, after the product is stored.

Mr. SUMNERS of Texas. I will be glad to do so if I can find time to extend. [Applause.]

Mr. ANDERSON. I yield seven minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I agree with a great deal of what our friend from Texas [Mr. SUMNERS] has just said, particularly as to our manner of doing business here, perhaps too much talking and too little accomplishment. I do not know that there is any way of correcting that condition. I have no suggestion to offer as to the method of procedure, but I think the illustration that some of us saw last week in one of the well-known weeklies is quite apropos. It was a take-off on our manner of doing business here, the politeness that we show in debate, and so forth. It was supposed to be a debate on a resolution to send for a physician for some one who had been injured. The debate and the politeness among the Members and the parliamentary procedure ran on so long that eventually the injured person died. So an amendment was offered to send for the coroner instead of for a doctor, and even that was objected to. I use that as an illustration for a condition which is developing very rapidly to-day in New England. The coldest part of our winter is coming on. We suffer severely from low temperature, particularly in the section of New England where I live. I have been in correspondence with some of my friends at home during the last few days, and I find that the fuel situation there is very critical indeed. I do not know who or what is to blame, beyond the strike conditions of last summer, with which we are all familiar. The President came before us and asked to have a fact-finding commission appointed, and we have a fuel director here in Washington for the Federal Government. We have one in Massachusetts for the State, and I think other States have the same. But the fact remains, my friends, that we do not get coal. I do not pretend I can offer any cure for that condition. The people expect we should and want us to do so. I stand ready in any way possible to cooperate with my colleagues to bring about a better condition of fuel supply for New England. Of course, the average citizen has some rather indistinct and vague ideas as to our powers here. I try frequently to convince them that we are not all

powerful, and that we can not do the impossible. Perhaps it is beyond human power to remedy the fuel situation in New England which exists to-day. I am only making this statement with a hope that if there is any progress being made or any process under consideration to remove the serious condition that confronts our section of the country during the next few weeks and months it may be drawn to the attention of the proper officials. Our people for warmth burn anthracite coal, and to be supplied with bituminous coal will not altogether obviate the situation. We must get anthracite coal into New England.

Is there a cure for our people? If so, come to our assistance. So if my colleagues or other officials can offer any concrete specific method of assisting in the correction of that condition, let us get at it before the patient dies. [Applause.]

The critical situation demands prompt action, and if it can be discovered that the fault lies at the door of any one person or any group of persons, let correction be promptly made.

If it is true miners will not load cars unless a guaranteed number are on the track, if it is true that transportation lines fail to return cars to the mine for loading, if it is true that transportation lines prefer to supply customers on their own line, if it is true that coal is diverted from its original destination, if it is true that some dealers are mercilessly profiteering, if numerous other similar complaints that come to us are true—does no authority exist to overcome these conditions?

In spite of improved business conditions throughout Massachusetts, we hear many references made to the spirit of unrest broadcast among the people. Who is at fault? Certainly not the man or woman who, in these bitter winter days, finds it impossible to make the dear ones at home comfortable. The family hearthstone instead of being a place of comfort and pleasure will, in our section, soon become the center of distress. This must not be and we ask for the help of such authorities as either individually or collectively can correct existing conditions and prevent them reaching a point in the next few weeks of positive misery.

Christmas cheer is at hand. No brighter smile could spread the countenance of the people of Massachusetts than knowledge that Uncle Sam in the bounty of his provision had supplied Santa Claus with comfort for the people for the next three months.

The last speaker made reference to President Harding's address. One sentence, I think he did not quote, that struck me as being of considerable interest, and it was this: "Agriculture is a vital activity in our national life. In it we had our beginning, and its westward march with the Star of the Empire has reflected the growth of the Republic."

The President recognizes that agriculture had its inception in this country in the East and has proceeded West. I have frequently told my friends at home that there is one drawback in our relationship as a group of men. It is hard to get out of the mind of the average Member of this House that New England is not altogether an industrial section. We are an agricultural section and have absolute sympathy with agriculture so ably aided by the Committee on Agriculture and the chairman of the Subcommittee on Appropriations. I want particularly to commend the work of the special commission of which the gentleman from Minnesota [Mr. ANDERSON] was chairman, and the very voluminous report which that committee made. [Applause.] I also want to commend the purpose of the so-called farm bloc. I have not agreed with their efforts always, but they have known what they wanted and have gone to work to get it, and for that reason within the last session or so it has been a very marked success. [Applause.]

[Mr. TREADWAY had leave to extend his remarks.]

Mr. ANDERSON. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. LITTLE.]

Mr. LITTLE. During the war prices went mountain high. I am able to announce that the price of wheat has gone back to normal, and I also find it necessary to announce that wheat finds itself very lonesome. The farmer is about the only man who is compelled to take for his work whatever anybody will give him. Everybody that sells the farmer arbitrarily fixes the price that the farmer must pay. He is, therefore, totally unable to protect himself under the laws of supply and demand. Labor organizations throw a cordon about their wages that enables them to get bigger wages than laboring men are paid anywhere else in the world at any time and always know what they will get. The protective tariff assists in protecting those wages, and also in enabling the manufacturers to defy the world. The farmer's business is always a precarious one. He puts the seed in the ground every year and bets a nickel it grows. Every crop is an adventure and a gamble. If nature is bountiful, the surplus cuts the price down to where he isn't much better off.

The wheat gamblers can evade the laws of supply and demand, form a bloc, pyramid the price of wheat, and make a fortune almost any time. Is it not curious that nobody has ever thought of any way by which the farmer could take advantage of the laws of supply and demand for his own welfare? He has reached the point where somebody has got to apply the rules of common sense under the laws of supply and demand or the wheat farmers will all be ruined and compelled to quit. They can not pay three prices for machinery and everything they buy and not get the cost of their wheat. They fight with the whole world for their prices. In 1915 there were some 3,500,000,000 bushels of wheat, with which they competed, of course. During the six years before that, Russia produced a little more wheat than did the United States, and the rest of the world produced more wheat than did Russia and the United States combined. The time has come when the Government of the United States should take some intelligent steps to assist the splendid people engaged in this industry. The farmer is about the only old-fashioned workingman we have left; he puts in 12 hours a day, never watches the clock, and never strikes. You then reply that he never will and that we can get along anyway. Just a few months ago laboring men who quarreled with their employers made a terrific attempt to wreck, ruin, and destroy the transportation system of this country to get what they claimed was justice. Do not, gentlemen, trespass too much on the farmer's patience and on his chance of making a living.

BRAZIL BUYS ALL ITS COFFEE.

Ten years ago Russia was producing more wheat than we did. Well, the Russian farmer struck; what wheat does the world get from there now? Half the fortunes of our big businesses are simply castles in the air. Take heed, gentlemen, that they don't take flight as did the magnificence of the czars and their associates. Two men can always have their way with a third man whenever they want to. You tell me that nothing can be done. Twenty years ago the price of coffee had fallen from 132 francs per 50 kilos to 30 francs, and the coffee planters of Brazil were ruined, as was the country and its revenues. Brazil adopted the radical and thorough policy of buying all the coffee produced there and restricting the amount of acreage. They reached a place where the Government of Brazil had on hand 8,000,000 sacks of coffee themselves, but they won; the tide turned; the government made a fortune; the people engaged in coffee planting all became prosperous; coffee went back to 90 francs per 50 kilos. The gentlemen who claim they are against the Government going into business should begin to shape their steps to make it unnecessary and take warning by such a success in Brazil. In 10 years Russia will be back in the wheat markets with a supply as great as ever. They will handle their wheat just exactly, in effect, as Brazil handles its coffee, and the American farmer will be up against that kind of organized and ferocious competition, and, gentlemen, you will then, at the point of the gun, launch your country into the necessary combat that will arise. Let us now endeavor to take safe, conservative, wise, prudent steps to make it unnecessary for the Government to go into business.

THE SENATE COMMITTEE'S BILL.

Now, do not tell me that we will loan them some money. That, gentlemen, is not going to solve this problem. I hope we will establish this winter a satisfactory credit system that can enable the farmer to finance his enterprises, but that won't make wheat worth \$1 a bushel, which is as little as they can raise it for and still live. It does not require any great tax on a man's mental processes to make a motion to pay them \$2 a bushel for all the surplus either, and every time you simply pay a fancy price and take in the surplus, you have given an overstimulation that brings you next year a bigger and more dangerous surplus and puts you further in the hole. The other day a great committee in another body reported favorably a bill to establish a corporation and endow it with \$100,000,000 and authority to borrow \$500,000,000 on bonds that it might go into the wheat business. You can adopt that policy if you wish and see what happens. Personally, I think if the Government is going into the business it ought to go into it itself and not be mixed up with corporations which will get beyond its control and spend its money as they please. Whether such an enterprise which would attempt to do business just like any other wheat buyer would be a success, you can figure as well as I can. If you like, there is your chance to try something. On the other hand, gentlemen, I have ventured to present a proposition that, in my judgment, will make it unnecessary for the Government to go into the wheat business, but will make it as certain that the farmer will get at least \$1 a bushel for his wheat as it can be without getting into conflict with the laws of supply and demand, and without endeavoring to set the

Government up as the universal almoner of the wheat grower. The suggestions I shall venture to make are grounded on the rules of common sense. Instead of being a scheme to get into the wheat business, it is a plan to keep out. Of course, if you are opposed to the Government carrying the mails and handling the schools and building the Panama Canal, you might be opposed to the proposed legislation, but if you are, why I shall insist that you be consistent and vote against the appropriation for the Post Office Department. If not, gentlemen, come with me a moment.

STAR OF EMPIRE STUCK IN WHEAT FIELDS.

Mr. Chairman and gentlemen of the committee, the gentleman from Massachusetts told me that he would quote a beautiful expression in the President's message about the Star of Empire progressing westward. I take the liberty of calling your attention to the fact that the Star of Empire is stuck out there and that it is not going any farther if the farmers of this country can not have some assurance of the stability of the price of wheat. There is a system of handling wheat through the storehouses in the grain elevators with warehouse receipts. If there were not such a system I should not have proposed the legislation I have presented to the Agricultural Committee. Without that opportunity I would not regard it as feasible.

If H. R. 13352 becomes a law, an appropriation of \$30,000,000 will be made and the Secretary of Agriculture will be authorized to expend it in the purchase of wheat at not to exceed the local market price, not to exceed \$1.10 a bushel, and at such times and places as he selects, and of such grades and qualities as he designates. He will be authorized to buy at not more than the market prices at each place. The wheat he purchases will be deposited by him in elevators and he will receive warehouse receipts. As the wheat is shipped and replaced from month to month, it will never deteriorate, and the charge for its care, which will include the insurance, will be very small, and in this way he will gradually accumulate and store that much wheat.

FINANCES ITSELF.

When he has accumulated 25,000,000 bushels he may, with that as security, with the approval of the Secretary of the Treasury, secure an issue of Treasury certificates equaling the amount paid for that 25,000,000 bushels, and use the same to purchase another stock. As the first 25,000,000 bushels is sold, the money received for it will be used to pay off the said Treasury certificates, and that process may be repeated as he shall see fit. If any 25,000,000 bushels should not bring quite enough to take care of those Treasury certificates, he may draw on the revolving fund for that purpose. In this way Congress will never be asked for any further funds with which to purchase, but the proposition will thus finance itself after the first appropriation. He will thus have more money as becomes necessary.

As he does not pay above the market price anywhere, wheat buyers will be able to purchase whatever wheat they need at the price they then find in the market. They will take what they need and the Secretary will merely absorb the surplus wheat offered for sale gradually and in full accord with the ordinary laws of supply and demand, just as any other purchaser would get it, until the Secretary has taken up the slack and has absorbed that immediate surplus, whereupon the purchasers in the market, having ascertained that that surplus is gone, will stop the Governments' further purchases by paying \$1.11 for wheat, which drives the Government out of the market and gives the farmer the benefit of this increase in price, just as would result under any competition. From then on, wheat, having a good foundation, will continue under the ordinary laws of supply and demand, and the Secretary will have accumulated his reserve supply of wheat at the lowest market prices and he will have no high-priced wheat at any time.

SECRETARY CAN HOLD WHEAT UP TO \$1.

This proposed legislation further provides that whenever wheat shall go below \$1 a bushel anywhere, the Secretary may, if he sees fit, pay \$1 a bushel. Without any effort to fix a price for wheat and leaving to the Secretary the option of declining to pay \$1, the farmer is reasonably assured of \$1 a bushel, which, to say the least, is as little as he should ever be expected to raise wheat for anywhere in this country. The idea of this legislation is that whenever nature gives a bountiful crop with an exceptionally large number of bushels per acre, the Secretary will absorb in the course of the year the surplus; but whenever speculators, stimulated by the probability that the Secretary will buy at \$1 all they offer, shall plant an area artificial as compared with the real demand, the Secretary will decline to purchase the surplus. The Federal reserve banks

announced the other day that as long as these cooperative societies confined their operations to the ordinary course of trade, their paper would be handled by the banks, but whenever they undertook to hold their crops for speculative gains the banks would not handle their paper. The Secretary will, it is supposed, apply the same theory to the wheat growers, and the probability is that the cooperative societies and farmers' associations and the Secretary working together will be able to keep the acreage within bounds so that the farmer can be practically certain of a reasonable acreage and at least \$1 a bushel. The prices that I have suggested of \$1 and \$1.10 are, of course, purely tentative and subject to correction by the committee or the House if it shall be demonstrated that they are too much or too little to effect the purpose.

PROVIDES FOR 5-CENT LOAF.

This bill would provide that whenever wheat can not be bought for less than \$1.85 in New York City and Chicago, the Secretary shall begin selling from his stock to relieve the scarcity and maintain a bread supply at a reasonable price, maintaining a 5-cent loaf, it is hoped. Whenever this stringency comes, or whenever speculators have pyramided wheat up to \$1.85, the Secretary must sell at such prices as he deems proper and as long as he deems to the best interests of the Nation. This makes impossible any corner by gamblers that would profit by exorbitant prices, which will be one of the valuable results from having on hand this continual reserve of wheat.

At any time the Secretary may sell wheat at not less than the market prices in Minneapolis, Buffalo, Kansas City, Kans., Chicago, and New York if he deems proper for the good of the Nation. As he sells at the market prices, he does not interfere with business, and it is intended that he shall not put at any time enough wheat on the market to affect those prices, except at \$1.85 or more, but as he buys wheat at \$1.10 or less, it is anticipated that during the course of the year he will be able to sell some wheat at more than that and net a profit for the department, which will carry on its incidental expenses and maintain its funds, but it is not the purpose of this plan that the Secretary shall go so far as to be engaged in the wheat business in competition with other wheat traders, except when wheat is down to \$1.10 or up to \$1.85.

WORKS LIKE GOLD RESERVE.

This bill will thus make it unnecessary for the Government to go into business as a wheat firm, and is intended to keep the Government out of that business.

As soon as the gold reserve was formed, the currency became worth 100 cents on the dollar. Nobody wanted gold when they found they could get it. As soon as the Secretary has shown people that the Government stands ready to buy wheat at \$1, the same result will be achieved; wheat will not be sold for less than \$1 with the Government ready to pay that.

To convince the public of the Government's good faith, it will not be necessary to buy in all the States. If the Government is known to be ready to pay \$1, the influence of that on the market would assure them of \$1, or if they purchased wheat in any half dozen States the same result would be reached.

This will also give the Secretary the power to break up the pyramiding of wheat for speculative purposes. He can buy wheat at not over \$1.10 and break in whenever he sees fit.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ANDERSON. I yield two minutes additional to the gentleman from Kansas.

Mr. LITTLE. People respect the good faith of their Government after many years of experience. When they understand that it will pay them \$1 for wheat, or a dollar in gold for a paper dollar, they will not any more come to the Secretary with wheat to sell for \$1 than they would come to Washington to ask the Secretary of the Treasury to give them a dollar in gold. This is the judgment of many sound business men who have examined the bill. If we would by law fix the price at a given amount, that would not affect the market price effectually at all like the Government's readiness to buy it at that. On the other hand, if he were directly ordered to pay that in all events, that would leave the plan no elasticity and would add greatly to the difficulties of its execution and success. In Brazil, where they buy all the coffee, they directly restrict the acreage in coffee and have great success. The surplus makes all the trouble, and no proposition can succeed unless it takes due notice of the possibilities of a surplus and guards against being carried too far by it. With these qualifications and limitations which guard against too great an acreage, it is as certain that wheat can thus be held at \$1 as is any other business proposition in which men ever engage. In reaching that conclusion, the business experience of centuries has been

taken into consideration. Everything has been considered except the flood, which of course would wreck my plan. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LITTLE. I ask leave to extend my remarks.

The CHAIRMAN. Is there any objection? [After a pause.] The Chair hears none.

Mr. CLARKE of New York. May I inquire why the gentleman does not include other crops in the bill to stabilize wheat values?

WHY WHEAT ONLY.

Mr. LITTLE. As I stated in the beginning, this bill would never have been drawn but for the fact that the system of storage in wheat elevators at a nominal price, where the wheat is never allowed to deteriorate but can always be found by the Government, makes wheat peculiarly the crop for attempting this stabilization of values. Except perhaps oats and barley, no other crop can possibly be handled with equal facility and economy, and I would not have drawn the bill but for these facts. If such a bill can not pass, where there is practically no possibility of failure, it would not be worth while to attempt it with any other crop. I am glad the gentleman asked this question because it again directs attention to the readiness with which this crop alone can be handled without interference with the orderly course of the market and without any investment by the Government in great warehouses. Again, there is no other food crop that compares with it in extent and importance to the consumer and the producer. Furthermore, there is no other crop so situated as to be so in need of some such method as this. The purpose of this bill is to stabilize the price of wheat, and I drew it for that purpose, and one reason I did not put in other crops was that I proposed this bill to accomplish that and if others have bills to propose they can read this bill and go ahead and write their own. My method is entirely at their service. While it is true that no such proposition was ever before made, it is also true that nobody has suggested any serious criticism of the proposition, and if I have overlooked somebody's crops, this opportunity is much more at his disposal than it was before I drew this bill.

Mr. ANDERSON. Mr. Chairman, I yield eight minutes to the gentleman from New York [Mr. MILLS].

Mr. MILLS. Mr. Chairman, while this has nothing to do with the subject matter before the House, the gentleman from Texas [Mr. GARNER] in discussing the constitutional amendment presented to the House yesterday made a criticism that is in one sense so serious that it seems desirable to answer it to-day, so that those Members who desire to think over the whole proposition between now and the time when it will again come before the House may have the opportunity to weigh the merits of the criticism.

The gentleman from Texas [Mr. GARNER] says that the amendment is fundamentally defective in that theoretically at least this situation might arise: The United States Government might have no securities outstanding and it would then be in a position to discriminate against State and municipal securities by taxing the income derived therefrom at a higher rate than, let us say, railroad bonds or industrial securities. I say that the objection is theoretical, because certainly not in 150 years and more, if our experience with the Civil War debt means anything, if England's experience with the Napoleonic war debt means anything, will the United States find itself with no outstanding securities. But is it sound as a theoretical proposition? The resolution submitted by the committee provides that the United States may tax the income from State and municipal securities providing that it does not discriminate against income derived from State securities and in favor of incomes derived from securities issued after the ratification of this article, by or under the authority of the United States. If it stopped there, there would be some merit in the suggestion of my friend from Texas, but the words "United States" are followed by the words "or any other State."

There are, therefore, two limitations. The United States may not discriminate in favor of its own securities, and it may not discriminate in favor of any securities issued by a State or under the authority of a State. Corporations are not natural persons. They owe their existence to the laws of the State which creates them. Securities issued by a corporation are issued by virtue of the authority given by the State which creates the corporation, and the very words of the resolution providing that you can not discriminate in favor of securities issued under the authority of a State is a limitation against discriminating in favor of any securities issued by a corporation created by the

State. That is the specific purpose intended by that language. If we attempted, for instance, to discriminate in favor of railroad bonds, taxing their income at a lower rate than the income from State and municipal securities, we would violate specifically the words of lines 2 and 3 on page 2 of this resolution by discriminating in favor of securities issued by virtue of the authority granted by a State.

If the gentleman's objections are unsound, I suggest to him that his remedy—the remedy which he proposes—is even more unsound. His amendment will not only limit the taxing authority of the United States, but let me point out to him that he is going to limit very strictly the taxing authority of the States. He limits the taxing authority of the Federal Government when he provides that there shall be no discrimination in favor of income derived "from any source." He will thereby knock out our present income tax law, in which we do discriminate, in so far as the normal tax is concerned, with reference to the dividends paid by corporations. He will further knock out the exemptions granted to holders of outstanding Federal securities, because he wipes out the words "issued after the ratification of this amendment" contained in the committee resolution; and he will make it impossible in the future for the Federal Government to discriminate between earned and unearned income, a reform urged very earnestly and with considerable force by some of the wisest of our tax reformers.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I prefer to finish the statement, as I have only eight minutes. What does he do to the States? As the amendment now stands, the State may keep inviolate its present method of taxing securities. It can still tax all securities except Federal on their property value, whether at the general property rate or at a classified property rate. It can, in addition, if this amendment be adopted, tax Federal securities in so far as their income is concerned; but if we do as the gentleman suggests, and that is introduce the words "from any source," then if the State desires to tax income from Federal securities it will have to wipe out all of its property taxes on securities and adopt a general income tax or forego the right to tax the income from Federal securities. Even when it comes to drafting that general income tax, unless it is willing to tax the incomes from Federal securities at the lowest rate adopted, it is going to find itself unable to classify income-tax payers; it is going to find itself unable to discriminate between interest and dividends; it is going to find itself unable to discriminate between earned and unearned income. In short, if my friend's amendment be adopted, he is putting the States in a strait-jacket in so far as future income tax legislation is concerned. In order to meet an imaginary danger to the sovereignty of the States he is prepared by his amendment to seriously limit that sovereignty by compelling the State first to adopt income taxation as the only method of taxing all securities, and then limiting the State to one particular kind of income tax. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. GARNER].

Mr. GARNER. Mr. Chairman and gentlemen of the committee, I do not think the premise of my friend from New York is correct. This amendment deals entirely with Federal securities and securities issued by the State and subdivisions thereof. Now, if you will take your amendment and refer to it you will find that it uses the language "State securities or subdivisions thereof." Now, let me illustrate for a moment and see if I am correct. For instance, is the Pennsylvania Railroad a subdivision of the State of Pennsylvania, taking it for granted it is a corporation created under the laws of the State of Pennsylvania? I submit to the gentleman from New York that question, whether or not the Pennsylvania Railroad, assuming that it has its charter by virtue of the State laws of Pennsylvania—whether or not the Pennsylvania Railroad is a subdivision of the State of Pennsylvania. Now, if it is not, it does not come within this amendment, because the amendment says "securities issued by a State or subdivision of the State, or under its authority."

Mr. MILLS. Under the authority.

Mr. GARNER. Certainly. Does the gentleman from New York agree to this premise, that he desires to limit the Federal Government power in levying its taxes against State and municipal bonds to the tax that it levies against other property of the citizens of the United States and incomes from property of the United States? Does the gentleman agree to that?

Mr. MILLS. I want to limit the right of the United States Government to tax Federal and State bonds in their incomes to the rate applicable to all securities of whatever kind.

Mr. GARNER. All right. If you do and if you will draw that amendment accordingly, I will accept it. [Applause.] I ask you, sir, whether or not this amendment will reach rents derived from property of an individual? I will yield to the gentleman to answer.

Mr. MILLS. I will say frankly it does not reach rents, and the gentleman knows that is the only thing that it does not reach, and knows that it does it so far as securities are concerned—

Mr. GARNER. When the gentleman answers the question he answers his own argument. When you have one exception that is sufficient. I for one deny the right of this Government to ask the States to surrender that right and place a heavier tax upon the income of a State agency than it does the individual of that State. If the gentleman is in earnest, if he means what he says, that he wants the Federal Government to be restricted to the right to the taxes that it may levy on any income, then prepare your amendment to this proposed amendment carrying that into effect, and I for one, speaking for myself, will accept it. I seek only by this amendment and by my crude effort, maybe, to protect the States against the power of Congress, should it think proper to do so, to destroy their ability to issue bonds and issue securities under the various divisions of a sovereign State. And so I say again, once and for all, that if the advocates of this amendment are serious in their contention that they only desire to levy the same rate of tax on receipts from bonds of States and municipalities that they levy against other property, other receipts, if you will prepare an amendment I will accept it. I do not know, I am probably not as good a lawyer as the gentleman from New York, but as I came here the gentleman from Arkansas [Mr. WINGO] suggested to me that the creature of a State as referred to in this proposed amendment did not contemplate other than the subdivision of a State such as a county or precinct of that State.

Mr. MONDELL. Will the gentleman yield?

Mr. GARNER. Just a moment.

Mr. WINGO. Or necessary agency.

Mr. GARNER. Or necessary agency of the State. And a corporation created by virtue of law is not necessarily an agency of a State. I have had no opportunity to examine the authorities, and I am not prepared to express an opinion, but that seems to me to be the purpose of this amendment. I understand that what is meant is a State or subdivision or creature of a State, such as counties, precincts, school districts, road districts, and so forth. I now yield to the gentleman from Wyoming.

Mr. MONDELL. I do not know that we clearly understood the gentleman's proposition. The gentleman does not contend, I assume, that under the amendment Congress could lay a heavier rate of income tax on securities issued by the State and its subdivisions than upon Federal securities?

Mr. GARNER. Oh, certainly not.

Mr. MONDELL. Is it not going rather far afield, is it not almost absurd to suggest that Congress would lay a burdensome tax on its own securities in order to reach the State?

Mr. GARNER. Oh, Mr. Chairman and gentlemen of the committee, that is the contention of every man who wants to take away from the State some right and put it in the Federal Government; that you are not going to do any wrong. I do not want to give you a chance to do wrong.

Mr. MONDELL. The gentleman voted for an income tax.

Mr. GARNER. In just a moment. I want to fix this amendment, if it is to become a part of the Constitution of the country, so that your and my successors can not do a State an injustice.

Now, I ask you to help us fix it, and if you are in good faith and mean what you say when you assert that you do not intend to do that, you will fix it now so that you can not do it.

Mr. MONDELL. I do not agree with the gentleman in regard to the income from securities at all.

Mr. GARNER. The gentleman means the gentleman from New York?

Mr. MONDELL. But even if what the gentleman urges were true, it strikes me that it is most extraordinary to suggest that the Congress, for some reason not now in anyone's mind, would lay an enormous burden on Federal securities and those of the States. Would it not be entirely fair if the tax on State securities be the same as those on Federal securities?

Mr. GARNER. The gentleman evidently was not here yesterday when I spoke. I thought I had made that clear to everyone.

Mr. MONDELL. I am waiting for the answer.

Mr. GARNER. I will say for the benefit of the gentleman and to those responsible for this proposed amendment that I gave on the highest authority the fact that the principal purpose of those gentlemen who would tax State securities is to restrict and, if need be, prohibit the issuance of them. I gave the President of the United States as my authority. I suggest that the gentleman read the President's message.

Mr. MONDELL. That is not the reason.

Mr. GARNER. He said, in substance, he wanted to stop the issuance of these bonds in order that the money might go into other industries. I contend that the industries of a State are as important to this country as any other industry, whether it be the manufacture of steel or of aluminum or of anything else. The construction of schoolhouses and the construction of roads or the construction of irrigating systems is just as important as some of these securities that you gentlemen want to tax.

Mr. MONDELL. The irrigation securities are not tax free.

Mr. GARNER. I want the gentleman to understand that they are in my State, because they are issued under the authority of the State, and they are a part of the State taxation system, which exempts the income from them from Federal taxation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for half a minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Supplementing what the gentleman said, I read from the statement of the gentleman from New York [Mr. MILLS] and ask the gentleman from Texas to answer whether this was actually stated by the gentleman from New York before the committee:

We have got to look at this from the national standpoint. We are giving to the States the privilege, to be sure, of taxing national securities, but in return we are getting the great mass of securities that on the whole are going to constitute a much larger tax base than the Federal securities are. And what is more, we are asking for the benefit—and we are getting the benefit—of taxing them at a much higher rate than the States are likely to do. You are only giving to the States the privilege of taxing income from these bonds.

Mr. GARNER. I am much obliged to the gentleman. The gentleman from New York knows that the gentleman from Pennsylvania declared that the absolute reason, and the only reason that you can give, for the State provision in here is that it was offered as a sop to the States to try to get them to adopt this amendment. That is all it was put in for. No one would dream of putting this second section in here unless it were an attempt to try to buy the States into agreeing to allow us to tax their securities. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BUCHANAN. Mr. Chairman, I yield 13 minutes to the gentleman from Georgia [Mr. UPSHAW].

The CHAIRMAN. The gentleman from Georgia is recognized for 13 minutes.

Mr. UPSHAW. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. UPSHAW. Mr. Chairman, in President Harding's last message to Congress he gave cold comfort to the friends of liquor. His wise and timely words declaring, not for a loose and liberal modification of our prohibition law but for its strict enforcement, were worthy of their high origin and wholesome in their influence. Regardless of former predilections and alignments on this question, they will be indorsed by every true patriot who remembers that this is "a government of the people, by the people, and for the people," and that the people who have fought so long and unselfishly for the legal overthrow of the liquor traffic have won a fair and open fight by due governmental process. President Harding recognizes the truth uttered by former President Taft—himself admittedly an anti-prohibitionist—that this law has not had a fair opportunity to function, and that every citizen, and especially every official who has sworn to stand by the Constitution of the United States, is called on to give the law a square deal by precept and by practice. [Applause.]

It is highly, and I may say painfully, significant that the President has felt the necessity of calling a conference of governors to take counsel together concerning the most effective way of enforcing a part of our Federal Constitution.

Of course I indorse the call, but I deprecate the necessity for such a conference. What does it mean—that there must be a coming together of the President of the Nation and the governors of the States in behalf of the enforcement of the eighteenth amendment, when the other provisions of the Constitution stand alone and regnant in their fundamental and governmental majesty? If the situation is that serious, if the President is right when he declares that conditions “savor of a Nation-wide scandal,” if the flagrant violation of this law means the physical and moral debauchery of illicit sellers and illicit buyers and, above all, the debauching of individual and national respect for all law, threatening the security of our most sacred ideals and our most cherished institutions, then God knows that that conference of our President and our governors ought to leave no stone unturned to make that exceptional round table a practical and national blessing. [Applause.]

But we might as well be plain about it, the plain people are justly skeptical of many of these high officials. They laugh at their high-sounding pronouncements because they doubt their sincerity. The people—the plain people—have cumulative evidence that some of these “conferring” governors and many other high officials do not practice the prohibition enforcement which they preach to others. The people—the plain people—believe that many of these high officials believe in that highfaluting autocracy which claims the privilege of buying and drinking illicit liquors themselves while denying that privilege to the poor devils down among the masses who are foolish enough to want the opportunity to buy and drink illicit liquid damnation. [Applause.]

Mr. HILL. Mr. Chairman, will the gentleman yield for a question?

[Mr. UPSHAW shook his head.]

Mr. UPSHAW. Here is a timely editorial from the Dearborn Independent of December 9 which hits the spot:

“DRY” ENFORCEMENT BEGINS AT HOME.

President Harding and his Cabinet are reported to have been in serious conference regarding ways and means of enforcing the “dry” laws. Will the gentlemen permit a suggestion? Why not begin at Washington? Why not begin in official circles? Why not begin in those sumptuous homes which entertain the very highest personages in our Government?

This is not a taunt; it is a serious and respectful suggestion. Everyone knows what has transpired at Washington since prohibition arrived. Only the loyalty of certain men to the sentiment of respect for the personages of the Government has prevented a crushing scandal at times. To these men whose forbearance has been intensely patriotic it has come with hopefulness that the Cabinet meeting may result in obedience to law in the city of Washington.

[Applause.]

Let the word go forth that members of the executive and administrative branches of the Government have set themselves a rigid standard of obedience to the letter and spirit of the law—and see what a difference it will make in Washington.

[Applause.]

That is the end of the editorial. It is now time to applaud this editor's timely wisdom. [Applause.]

If these governors who put their feet under the President's mahogany at the White House really wish to get anywhere in their conference for law enforcement, let them remember what the beloved and immortal Sam Jones said:

“If you want to reform the world, begin on yourself and then you will have one rascal out of the way.” [Applause.]

Let these governors, led by the President and Vice President of the United States and all the Members of the Cabinet, walk out in the open and lift their hands before high heaven and take a new oath of allegiance to the whole Constitution and the American flag. Let them sacredly declare that, regardless of what their tastes and practices have been, they will never again build up a bootlegger's barbarous business by drinking any form or any amount of illicit liquors at any dinner, at any function, or in any “ballroom or any back alley.” Let every Member of Congress and every United States Senator follow suit; let every State and Federal judge and every prosecuting attorney in America stand up like patriotic men and declare that they will never again personally trample the Constitution which they have sworn to obey and defend. [Applause.]

Let the President issue a ringing Christmas proclamation calling every citizen, and especially every official, to total abstinence for the common good. No longer must these “higher ups” say “Go” at the end of an official lash. They must say “Come,” in all the glory and effectiveness of consistent leadership.

I think it would be well for the President to put in that proclamation a call to those splendid, forward-looking citizens—those organizations that do things worth while—the Rotarians, the Kiwanians, the Civitians, the Optimists, and the Lions, and the Elks, and the Eagles, and the Owls, and what not—

Mr. CLARKE of New York. How about the Klan?

Mr. UPSHAW. Yes; for they declare allegiance to the whole Constitution, and every organization that stands for the rule of democracy and the supremacy of a sober flag. Let them stand for it now, or forever after hold their peace.

Anything less than this will make the conference itself a farce and a scandal. Timorous souls have never inspired anybody. This is no time for pussy-footing utterances and actions on the part of our State and National leaders. [Applause.] Some of these governors—most of them, let us hope—are men of personal sobriety and positive character and patriotism, and most Congressmen and Senators, I am glad to believe, practice the prohibition which their votes profess, but there are enough who do not to cast an ominous cloud on the official sky.

Let us wipe that cloud away as a Christmas gift to society and sobriety! And let these officials be followed by “society” leaders everywhere who have been counting it a “smart” thing to serve illicit cocktails to dinner guests, remembering that every such deed is more than “slackerism” in the presence of a common foe. It is a shocking case of “trading with the enemy”—yea, of seeking, harboring, and using stolen goods. And no father or mother, citizen, or public official can do this thing and then blame anybody but themselves if their sons and daughters grow up to break their hearts by defying every law of God and man. [Applause.]

Let them honor their own laws, like the gallant French general, Marshal Foch, who refused to touch intoxicants in any form while on American soil, out of respect for the “dry” Constitution and “the stainless flag” of the country where he was an honored guest. [Applause.] Let them follow the inspiring example of that chivalric Texan, that whole-hearted American, Alvin Owsley [applause], the beloved commander of the American Legion, who as my breakfast guest last week authorized me to say on the floor of Congress and everywhere that, realizing the importance of this question and the responsibility of leadership, regardless of what his personal inclinations might be, he would not touch a drop of intoxicating beverage in private or public while he is commander of the American Legion. [Applause.]

I stand uncovered, I call on the friends of “young America” everywhere to stand uncovered before such loyal, stainless patriotism on the part of the gallant leader of America's soldier-citizens.

I can not close this honest, desperate Christmas exhortation to the governors of America and all other high officials without the inevitable observation that that conference of governors will be in a bad fix and will leave the President and his Cabinet and the whole country in a bad fix if they are all down with the same complaint which afflicts that visionary hero of windmills, the fantastic Governor of Louisiana. Hitherto holding him in high esteem, we have seen him plunge from his high pedestal of State and National confidence by rushing to the Nation's Capital for help to free his State from the tumultuous reign of “goblins” and “wizards,” when his own Representatives in both branches of Congress, Protestant and Catholic alike, rise up to discount his flaming follies, declaring that Louisiana is beautifully tranquil and grandly able to take care of her own police powers. And now you can judge of the value of the dismal declaration of this same Governor Parker, who says to the governors' meeting on West Virginia soil that “prohibition is a flat failure.” Thus he indicts the majority of the citizens of his State as lawbreakers and liars. I do not believe it. Shades of American heroism! Paraphrasing the words of the judge to the man who is going to be hung, “May the Lord have mercy on his timorous soul.” If prohibition is a failure in Louisiana or any other State it is because the women made a mistake when they got married and the people made a mistake when they elected a governor. [Laughter.]

If the enemies of good government were making and selling a concoction that would poison our pigs and colts and calves and chickens for money, the militant manhood and womanhood of America would stop it. And when we begin to love our boys and girls as well as we love our domestic animals and our selfish appetites, then we will consecrate ourselves anew to their protection and set for them a safe example in refraining from the illicit use of intoxicants anywhere and everywhere. [Applause.]

In face of the legal enactment of this prohibition law which found its way into our Constitution and on our statute books through the prayers, the tears, and the consecrated wisdom of the best men and women on earth, any governor or any other State or Federal official who will patronize a bootlegger by drinking illicit liquor is a disgrace to the position of leadership which he holds and a dangerous example to the young manhood of America. [Applause.]

I want to declare to you that any man who stands here or anywhere and swears allegiance to the Constitution and then helps a bootlegger to trample that Constitution under foot is unworthy to represent any State or to hold any office under the sun. [Applause.]

I renew my call to Christmas consecration. Come on, governors! Come on, Cabinet officers! Come on, Congressmen and Senators! Come on, officials and patriots everywhere; and before the eyes of American youth and the watching world illustrate that brave, red-blooded, 100 per cent Americanism that accepts the full-orbed Constitution, eighteenth amendment and all; that reverent, consistent Americanism that practices what it preaches in building "that righteousness that exalteth a nation"—a leadership, pray God, that fulfills Goldsmith's dream of the "Village Preacher," who—

Lured to brighter worlds,
And led the way.

[Applause.]

Mr. ANDERSON. I yield to the gentleman from California [Mr. BARBOUR] five minutes.

Mr. BARBOUR. Mr. Chairman and gentlemen of the House, I hold in my hand a printed document which a few days ago was mailed generally to the Members of Congress. It is a rather severe criticism of and attack upon House bill 7452, a bill which I introduced and which is now pending on the calendar of the House, a criticism and attack entirely unjustified. The statement is not signed, but in the upper right-hand margin there is stamped:

From W. G. Van Name, 121 High Street, New Haven, Conn.

Mr. LINTHICUM. What is the title of the bill which the gentleman refers to?

Mr. BARBOUR. It is the Roosevelt-Sequoia National Park bill.

Doctor Van Name, who, I assume, is the author of this statement, is a very estimable gentleman, one who is deeply interested in the conservation of our natural resources. But his fears as to the result of the enactment of this legislation are entirely ungrounded, and for the reason that his statement contains little of fact and considerable of imagination I wish to submit a few observations in reply.

The bill simply provides for the enlargement of the present Sequoia National Park, in the State of California, and the changing of the name to Roosevelt-Sequoia, the new park to be a great natural memorial to the late President Theodore Roosevelt. It also provides for the exclusion of a portion of the present park. In fact, the scheme is to exclude 105 square miles of the present park and to add 953 miles of additional territory. I read from Doctor Van Name's statement, as follows:

"The Sequoia National Park, in southern California, 252 square miles in area, was established in 1890 to preserve several fine tracts of the primeval forests of California, the most remarkable in the world for the extraordinary size and beauty of their trees. It is the only national park—except the General Grant Park, which is insignificantly small and sadly mutilated by lumbering—whose express purpose was to preserve some of these magnificent forests. For 32 years it has protected them, but it is to do so no longer. The Barbour bill, supposedly a bill to enlarge the park, while adding much land, mostly of little value for park purposes or for anything else, contains a concealed joker that cuts the park in two and turns over the half containing the larger part of the fine forest to the United States Forest Service, a bureau conducted entirely for commercial and utilitarian purposes, which can legally—and may be expected to—sell the greater portion of the trees for lumber."

Now, the fact of the matter is that the bill retains in the park 804 of the large Sequoia, commonly known as the California big trees. It will exclude 550 of these trees and will add 500 others. Of the 550 excluded, 410 are publicly owned and 140 are privately owned. If the bill is passed, the net result will be that there will be a gain of 90 of the publicly owned large Sequoia trees preserved within the park boundaries.

POLICY OF THE FOREST SERVICE TOWARD THE BIG TREES.

The fact that there are a large number of giant trees in the area now within the forest reserve which it is proposed to add to the park should be satisfactory evidence that it is not the policy of the Forest Service to destroy these trees. As to the policy of the Forest Service in regard to these trees and as further assurance that the same will not be destroyed, even though some of those in the present park should revert to the Forest Service, I submit the following extract from a statement recently made by United States Forester Greeley:

"To the Government forester these trees are most cherished possessions, and as such they receive veneration and loving

care. Long ago the Forest Service decided that these trees, as living examples of nature's wonderful handiwork and as survivors of the preglacial period, would contribute much more to human progress and welfare in a living condition than they could possibly contribute as manufactured timber commodities. It therefore has been the fixed and invariable rule that no standing redwood shall be cut from national forest land. The United States Forest Service has not sold a single giant sequoia except those dead and prostrate upon the ground and subject to decay if not utilized. Most of the giant sequoia occurring within the exterior boundaries of the national forests are on land in private ownership, over which the Government has no control, and here, unfortunately, the removal of these superb trees has been rapid and complete. From time to time the Forest Service has considered and made tentative plans for exchanges with private owners whereby some of the existing groups in private ownership would become public property in exchange for national forest stumpage of less scientific and historic value, but absence of legislative authority has prevented the consummation of these arrangements, and the best the Forest Service could do is to preserve the trees already in Government ownership. This it is doing with religious care, and no lover of these great trees need fear that the Forest Service will ever forget the obligations of its custodianship to the point of consenting to the sacrifice of a single living tree to any commercial or utilitarian purpose."

The bill in its present form has been indorsed by the following organizations or their representatives, all of which are enthusiastic advocates of the policy of conservation of our natural resources:

"Boone and Crockett Club, Roosevelt Memorial Association, American Civic Association, National Parks Association, Society for Protection of National Parks, American Defense Society, California Academy of Sciences, Association for the Protection of the Adirondacks, New York Zoological Society, National Arts Club, Camp Fire Club of America, Associated Mountaineering Clubs, Save the Redwoods League, American Society of Landscape Artists, National Geographic Society, Appalachian Mountain Club, and the Sierra Club."

Relative to the indorsement of the bill by the Camp Fire Club of America, I offer for the consideration of the House the following letter received by me to-day from William B. Greeley, chairman of the committee on conservation of forests and wild life, of that organization. Mr. Greeley states that in view of the efforts of Dr. W. G. Van Name to defeat the bill, the matter was further investigated by his committee and that after such investigation the committee voted unanimously to confirm the action previously taken in support of the bill:

THE CAMP FIRE CLUB OF AMERICA,
New York, December 19, 1922.

Hon. H. E. BARBOUR,

United States House of Representatives,

Washington, D. C.

DEAR SIR: This committee, speaking in such matters for the Camp Fire Club of America, some time last winter went on record as approving heartily your bill H. R. 7452, known as the Barbour Roosevelt-Sequoia Park bill.

During the summer efforts of Dr. Willard G. Van Name, of the American Museum of Natural History, of this city, to defeat the bill were brought to the attention of some members of this committee who were much impressed by his contention. As a result, the matter was further investigated by this committee, considerable correspondence was had, and last night Mr. H. Grace M. Albright, of the National Park Service, known to most of us, attended a meeting of the committee at my invitation and discussed the whole situation with us.

I am glad to say that after hearing Mr. Albright, considering the letters received and discussing the matter thoroughly, the committee voted unanimously to confirm the action previously taken by the committee in support of the bill.

Because of the circularizing campaign carried on by Doctor Van Name, and the possibility that some members of the club might have put themselves on record as opposing the bill, as requested in an anonymous circular which is now before me, but is admitted to have been prepared by Doctor Van Name, it has been thought best that I should inform you immediately of the action of the committee at its meeting last night, and say to you that all such matters as this are intrusted to this committee and the action of the committee in this matter is to be taken as voicing the sentiment of the club.

We wish you success in your further efforts to bring about the passage of this bill.

Yours very truly,

WILLIAM B. GREELEY, Chairman.

Doctor Van Name's circular shows that he is not familiar with the scenic features of the area which it is proposed to add to the park or that he does not appreciate those features. The following quotation from the bulletin of the National Parks Association of June 7, 1922, describes one of the scenic wonders of this area:

TEHIPITE, WONDER OF CANYONS.

"The floor of the valley is exceedingly rough but fascinating. It could accommodate hundreds of campers. And the river! It is times larger than the Merced. From the beginning to the end of the valley it is a succession of cascades, swift rushes, and pools. It is the finest trout river I ever fished.

"Opposite Tehipite Dome, Mount Harrington rises a thousand feet higher than Clouds Rest above Yosemite, namely, 7,000 feet. From near its summit cascades tumble into the Middle Fork.

"The Tehipite Valley is nothing short of the most inspiring chasm in the Sierra. It ranks in its own way with the greatest American spectacles!

"Unquestionably, it is one of the most striking features in American scenery; wholly lacking the Yosemite type of beauty, it is far rugged, more virile. It is bigger. It has power, majesty. Its walls are loftier. The Tehipite Dome, 3,200 feet above the valley floor, is one of the five greatest rocks of the scenic world, the others being El Capitan and Half Dome in the Yosemite, the Grand Sentinel in the Kings River Canyon, and El Gobernador in Zion National Park. Just for comparison's sake, the famous Rock of Gibraltar, if transferred to Tehipite Valley, would rise 700 feet less than halfway up on the Tehipite Dome.

"The walls are correspondingly striking; on the whole they rise higher than Yosemite's. They are perpendicular and remarkably eroded. There is one place where a landslide has rolled rocks as big as houses more than halfway across the valley floor."

Bulletin 24 of the National Parks Association, issued on January 30, 1922, and referring to an amendment prohibiting the development of power projects within the proposed park, contains an article advocating the passage of the bill in its present form under the following title: "Barbour bill amended. Now let's help pass it."

I wish to call the attention of the House to a letter received from the Acting Director of the National Park Service commenting on the statement of Doctor Van Name. The following quotation from the letter of Mr. Cammerer, the acting director, shows how unfounded are the criticisms of Doctor Van Name and how groundless are his fears:

"One statement made in the printed circular—that the area to be added is barren and inaccessible mountain land—is absolutely without foundation. Forests of very fine pines and firs in the two Kings River Valleys which will be added to the park will alone more than offset the forests in the park area to be returned to the national forests; and besides this there will be added several hundred square miles of main forest belt, which carry groves of yellow pine, sugar pine, and white and red fir, running much larger and finer on the average than those in the forests of the park area to be returned. The gain to national park control in fine forest, not including sequoia, is several hundred per cent.

"As you have stated in your letter, most of the statements contained in the printed circular are far from the truth. One which stands out is that made in connection with the General Grant Park, which it is said is insignificantly small and sadly mutilated by lumbering. As a matter of fact, there has never been any lumbering in General Grant Park."

[Applause.]

The CHAIRMAN. The time now remains as follows: The gentleman from Minnesota [Mr. ANDERSON] has 15 minutes remaining and the gentleman from Texas [Mr. BUCHANAN] has 4 minutes remaining.

Mr. BUCHANAN. I yield 4 minutes to my colleague from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman, I wish to refer for just a moment to the question that was up the other day, when the naval bill was under consideration, as to the enlisting of minors or those under 21 years of age. The question was raised as to whether the recruiting officers should be permitted to enlist boys under 21 years of age without securing the consent of their parents or guardians, or in the alternative securing affidavits showing their exact age. There seemed to be an almost unanimous inclination to adopt the amendment that was suggested by my colleague from Texas [Mr. CONNALLY], until the chairman of the committee read the existing law, which, according to his interpretation, seemed to cover the case already. I just

want to read in this connection the exception that is in the law which practically nullifies its operation.

It so happens now that when a young man who is less than 21 years of age goes before the recruiting officer he may be accepted practically on his own affidavit. Of course, they have alluring advertisements and signs which indicate the beauties of travel and the attractive side of naval service for the purpose of getting the young men into the service. As was suggested in the discussion the other day, the services of every young man in this country are the property of his parents until the young man reaches the age of 21 years. It seems entirely right that before the Government takes the boy's services the consent of the parent or guardian should be obtained. That was the attitude of the House until the law was read which seemed to require at the present time the consent of the parents. But there is an exception in the law, which reads as follows:

Except in cases where such certificate is unobtainable—

That is, the certificate as to age, and so forth—

enlistment may be made when the recruiting officer is convinced that oath of applicant as to age is credible.

I understand that when a young man comes up to enlist the practice now is to have a blank affidavit for him to sign along with the other papers, stating that he is of a certain age, and then he is in, and if the parents undertake to get him out of the service the department issues to him an ordinary discharge which for all practical purposes has about the same effect as a dishonorable discharge. But this law has still another defect in that it applies only where the minor is under 18 years of age. Now I submit to the Congress that the Navy is in a bad way if it is necessary to go out and secure through alluring advertisements and signs and blandishments, through a process that amounts in some instances to deception, the services of the boys of this country who are less than 21 years of age, more especially when their services belong to their parents. Surely the American Navy can be maintained and the necessary recruits may be had by the naval officers being as clean and as careful in their enlistments as they are in their discharges, because while they will take a boy under 21 years of age into the Navy on his simple affidavit that he is 21 years of age, when it comes to discharging him they require not his affidavit but a birth certificate or the affidavit of two or three disinterested persons, which they should secure prior to his admission. [Applause.]

Mr. ANDERSON. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, I am sure all of us who are particularly interested in the problems of agriculture have been very greatly interested this afternoon as we have listened to various Members in their discussions of many phases of agricultural thought. I myself am under great obligation to them.

Recently, upon the occasion of the visit of the President of the United States in presenting to Congress some recommendations for legislation, attention was called to many things of particular interest in connection with agriculture. Probably more than any other we were attracted by his recommendations on the subject of agricultural credit. And so there has been unusual interest in this discussion along that particular line this afternoon.

Mr. Chairman, in view of the fact that in the near future we are to pass judgment in the House upon the resolution which was the special order of business yesterday, I have thought it might be of some interest to the committee to present some ideas I have in mind in connection with an amendment which I propose to offer to the pending resolution, namely, the resolution to amend the Constitution of the United States with reference to tax-exempt securities. I will read it for the information of the committee. It is to follow the second section as it is now, with the following language:

Provided, That nothing contained in this amendment shall be construed to refer to securities or bonds issued under the terms of the act known as the Federal farm loan act.

Mr. Chairman and members of the committee, my amendment proposes to exempt from the provisions of the constitutional amendment the bonds or securities issued under the terms of the Federal farm loan act. The total amount of Federal farm loan bonds sold to November 30, 1922, is \$641,208,375. If the total of tax-exempt securities issued amounts to \$16,000,000,000, then the amount of such total affected by my amendment is approximately 4 per cent. I am aware that there should be unusual merit in any proposition that seeks to modify the application of a proposed amendment to the Constitution. In support of my amendment, therefore, I present the following considerations:

1. The Federal farm loan system has clearly established itself as a sound, practical, and indispensable credit agency for American agriculture. Its operations have been interrupted by hostile interests through court procedure and limited by the natural hesitancy our people manifest in adopting a new plan in so vital a matter as mortgage loans. Its present popularity is shown by the fact that during the period from November 1, 1921, to November 1, 1922, the Federal land banks loaned \$219,780,649 to 70,993 farmers and sold Federal farm loan bonds to investors to the amount of \$278,150,000. The Treasury holdings of these bonds have been reduced \$69,650,000, and Secretary Mellon says that—

The system is rapidly approaching a condition which meets the original intention that it should be a mutual organization operated under Government supervision and control with the capital stock supplied by the borrowing farmers and not by the Government.

Until such time shall come it appears clear to me that no action should be contemplated by this House that will seriously limit, if not entirely suspend, the operations of the Federal farm loan system by advancing the interest rates.

In the second place, I invite the attention of the committee to the fact that the saving in Federal taxes on these farm-loan bonds would be infinitesimal in comparison with the increase in interest charges which the farmers will pay on the mortgage indebtedness.

In proof may I quote what I believe will be accepted as good authority, Professor Putnam, of Washington University, of St. Louis, who says:

The Federal tax on each billion dollars' worth of tax-exempt securities would be \$8,820,000. If this is correct, the amount of revenue to be derived from taxing joint-stock land-bank bonds now outstanding, \$78,000,000, would be negligible. And if the time should come when the joint-stock land banks had outstanding in future issues \$250,000,000 of bonds, the revenue to be derived from their taxation at the present rate would be but \$2,000,000.

If the surtax should be reduced, as is recommended by the Secretary of the Treasury, from 65 to 40 per cent, the revenue to be derived from joint-stock land-bank bonds would be reduced to an amount slightly in excess of \$1,000,000.

When we recall that from ten to twenty billions of tax-exempt securities are now outstanding the inquiry suggests itself: Why strain at a gnat and swallow a camel? Why remove the tax exemption in the very quarter where it is doing the most good? Why remove it in these abnormal times before there has been opportunity to give the plan a fair test? Why of all times do it now, when agriculture is crippled and least able to stand this blow?

Under the Federal farm-loan system the interest rate varies from 5½ to 6 per cent. The farmer who borrows from a land bank at this rate is a direct beneficiary, and all others who borrow through the regular channels are likewise beneficiaries, through the wholesome competition of the land banks. When we stop to contemplate what would be the situation if we do away with the tax-exempt feature in connection with the farm-loan bonds and reckon what the increased interest rates on \$4,000,000,000 of farm mortgages held in the United States with the competition of the land banks removed, I am sure we will see that the saving that would be made to the Federal Government in taxes would be very small in comparison.

An average increase of 1 per cent in the interest rate would amount to \$40,000,000 on the total mortgage indebtedness of the farms of the country. This is certainly a modest estimate of the increase in the interest rate, if our former experience is a fair example. Contrast this with Professor Putnam's estimate of an increase of \$8,000,000 in taxes on each billion of bonds denied tax exemption, and every friend of agriculture will hesitate before voting for the proposed constitutional amendment without the limitation I have proposed.

The effect that the loans made through the land banks have upon the general interest rate on farm mortgage loans is indicated by the comparison of the total amount loaned by the land banks with the total farm mortgage indebtedness of the country. The former is \$664,986,000 and the latter \$4,000,000,000 in round numbers. Fifteen per cent of the total mortgage loans are made by the land banks. No one will say this is a negligible factor in shaping interest rates on the whole amount.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. My time is limited, but I yield.

Mr. GREEN of Iowa. The gentleman made one statement—that no one would dispute but that the rates would be advanced to the farmer. That has been and will be disputed by very high authorities. The gentleman forgets that only a small portion of the farmers' loans are from the farm loan banks, and even about that there is a dispute, and the other part, the 95 per cent, will be very much lower to him.

Mr. KETCHAM. All I can say in reply to the gentleman is this, that during the time the operations of the farm loan system were suspended by reason of the court procedure brought against it the interest rates through ordinary channels were

not only increased but the increase was so appreciable as to give point to the argument that I am making.

Mr. GREEN of Iowa. The rates were increased to everybody during that time; interest rates were going up everywhere.

Mr. KETCHAM. May I just refer to the indirect effect of the interest rates by quoting the following language from a high authority:

The influence of the loans made by the banks of the farm-loan system was to stabilize interest rates on farm loans throughout the entire country. In Montana and Texas, where rates had been 10 and 12 per cent, farmers were able to get money at 5½ and 6 per cent under the farm-loan system, and the rates charged by commercial concerns dropped considerably. Every farmer, no matter of whom he borrowed, was benefited by the farm-loan system, because all money lenders had to meet, in a measure, the competition of the land banks.

We got the "reverse English" on this proposition when the banks of the farm-loan system were compelled to suspend operations owing to a suit in the courts to test the constitutionality of the act.

Third. Reference has been made to the attitude of the farm organizations, and I think the distinguished acting chairman of the Committee on Rules quoted from one of these farm organizations. May I in that connection read the action of the National Grange at its recent session in Wichita?

The Grange favors an amendment to the Constitution of the United States to prohibit further issues of all tax-exempt bonds, but so long as tax-exempt bonds of any kind are permitted we oppose the repeal of the tax-exempt features of the Federal farm loan act.

That indicates very clearly that while they favor the general proposition of abolishing tax-exempt securities they do hold in this resolution to an indorsement of the operations of the Federal farm loan act, and are especially insistent that no action shall be taken that in any way affects that act.

May I also refer to the action of another great farm gathering on the same question? Probably no farm conference in the history of the United States has created so much interest as the one held not quite one year ago here in Washington, and I now quote from the committee on taxation in the report of the National Agricultural Conference, page 141. I quote the second recommendation, which, by the way, was adopted unanimously by more than 400 delegates from various agricultural activities attending this conference:

We recommend—

Second, a constitutional amendment prohibiting issuance of tax-free securities: *Provided*, That inasmuch as agricultural lands and mortgages are both taxed and that agriculture is a fundamental industry upon which all industries depend, nothing in these resolutions shall apply to bonds, debentures, and certificates of indebtedness issued under authority of the Federal farm loan act or any amendments thereto.

My amendment to the resolution will give point to this recommendation unanimously adopted by this great gathering of farmers uniting in one of the best expressions of farm opinion that we have ever had in this country.

Finally, may I present for your consideration the very wide distribution of the farm loan associations? There are now in the country 4,463 of these land-bank associations. Herewith I give a table showing the number of individual farmers in the several States who have loans through the farm land banks together with the amount loaned:

Table showing the number of individual farmers to whom the farm land banks have made loans to date in the several States, with the amounts loaned in even thousands.

State.	Number of loans.	Amount loaned.
Maine.....	1,274	\$3,362,000
New Hampshire.....	303	684,000
Vermont.....	597	1,591,000
Massachusetts.....	1,050	2,840,000
Rhode Island.....	85	258,000
Connecticut.....	858	2,724,000
New York.....	2,939	9,339,000
New Jersey.....	585	2,198,000
Virginia.....	6,111	17,135,000
Maryland.....	617	2,246,000
Delaware.....	37	121,000
Pennsylvania.....	2,565	6,882,000
West Virginia.....	1,652	3,554,000
North Carolina.....	6,597	13,527,000
South Carolina.....	4,955	14,414,000
Georgia.....	5,787	14,632,000
Florida.....	2,765	4,998,000
Alabama.....	9,686	18,626,000
Louisiana.....	6,029	11,456,000
Mississippi.....	14,236	23,439,000
Tennessee.....	5,467	15,246,000
Kentucky.....	4,360	15,129,000
Indiana.....	5,862	21,387,000
Ohio.....	2,214	8,663,000
Michigan.....	4,751	10,520,000
Illinois.....	4,070	17,708,000
Wisconsin.....	3,937	12,995,000
Minnesota.....	6,747	26,899,000
Iowa.....	4,989	34,320,000
Missouri.....	6,003	23,439,000
Arkansas.....	10,835	18,217,000

Table showing the number of individual farmers to whom the farm land banks have made loans to date in the several States, with the amounts loaned in even thousands—Continued.

State.	Number of loans.	Amount loaned.
North Dakota.....	8,321	\$30,625,000
South Dakota.....	3,332	14,212,000
Nebraska.....	5,376	24,376,000
Kansas.....	6,582	26,437,000
Oklahoma.....	4,779	12,004,000
Texas.....	23,558	70,719,000
New Mexico.....	3,533	6,565,000
Colorado.....	5,182	12,474,000
Wyoming.....	1,464	3,842,000
Montana.....	6,156	15,667,000
Idaho.....	5,367	18,557,000
Washington.....	8,939	23,450,000
Utah.....	3,726	11,942,000
Nevada.....	141	541,000
Arizona.....	734	2,994,000
California.....	5,182	17,450,000
Oregon.....	5,526	17,995,000
Total.....	225,937	664,985,000

When it is recalled that the percentage of mortgaged farms is alarmingly high in this country and increasing with each decade, and when we are called upon to submit to the people an amendment that makes the future of the farm land banks at least uncertain, it is my judgment that we should hesitate a long time unless my limitation is adopted.

The farm land bank works. It helps the members directly and all other mortgage debtors indirectly. Pending legislation is designed to extend its usefulness. Why not make sure that the helpful influence it has exerted shall continue? Why take a chance in limiting seriously, in not completely stopping the operations, of a system that satisfactorily and completely answers the farmers' demand for long-time mortgage credit?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent to revise my remarks.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to revise and extend his remarks in the RECORD.

Mr. KETCHAM. Oh, no; I asked only to revise them.

The CHAIRMAN. Is there objection?

Mr. HILL. Mr. Chairman, reserving the right to object, I would like to ask the gentleman if he would put in his remarks the figures on Maryland. I have no objection to his revising and extending his remarks.

Mr. KETCHAM. I will be very glad to do that.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE SECRETARY. SALARIES.

Secretary of Agriculture, \$12,000; Assistant Secretary, \$5,000; director of scientific work, \$5,000; director of regulatory work, \$5,000; director of extension service, \$5,000; solicitor, \$5,000; chief clerk, \$3,000 and \$500 additional as custodian of buildings; private secretary to the Secretary, \$2,500; traffic manager, \$3,000; administrative assistant, \$3,000; executive assistants—3 at \$2,500 each, 2 at \$2,250 each, 1 \$2,100, 1 \$2,000; stenographer and executive clerk to Secretary, \$2,250; private secretary to Assistant Secretary, \$2,250; private secretary to director of scientific work, \$2,250; appointment clerk, \$2,000; officer in charge of supplies, \$2,000; inspectors—1 \$3,000, 1 \$2,250; attorneys—1 \$4,000, 2 at \$3,500 each, 2 at \$3,250 each; law clerks—4 at \$3,000 each, 2 at \$2,750 each, 4 at \$2,500 each, 8 at \$2,250 each, 1 \$2,200; superintendent of telegraph and telephones, \$2,000; telegraph and telephone operator, \$1,600; assistant chief clerk and captain of the watch, \$1,800; clerks—1 \$2,000, 5 of class 4, 14 of class 3, 1 \$1,440, 18 of class 2, 31 of class 1, 2 at \$1,100 each, 1 \$1,020, 3 at \$1,000 each, 4 at \$900 each; messengers or laborers—1 at \$1,000, 16 at \$840 each, 8 at \$720 each, 4 at \$600 each; lieutenants of the watch—1 \$1,000, 2 at \$960 each; watchmen—30 at \$840 each, 51 at \$720 each; skilled laborers—1 at \$1,200, 5 at \$1,000 each, 3 at \$960 each, 1 at \$900; messenger boys—2 at \$720 each, 8 at \$600 each, 7 at \$480 each; charwomen—1 \$540, 1 \$360, 14 at \$240 each; for extra labor and emergency employments, \$12,480; in all, \$382,520.

Mr. HAUGEN. Mr. Chairman, I reserve the point of order on the paragraph. I call the gentleman's attention to the new legislation, the office created, director of extension service. That is new legislation, not authorized by law.

Mr. ANDERSON. I think, under the decision of the Chair last year, it would not be held to be new legislation. However, I may say to the gentleman that the establishment of this office is in accordance with a reorganization which was adopted two years ago, under which the three lines of work in the department—regulation, research, and extension—were combined un-

der three heads. We completed two parts of that last year by creating a Director of Research and a Director of Regulatory Work. The object of this office is now to fully complete that reorganization by bringing all of the extension service under one head, under one director, so that it will all clear through one place.

Mr. HAUGEN. I take it for granted that the additional office is required providing the reorganization is effected. What is the reorganization suggested in the bill?

Mr. ANDERSON. I understand in effect that the reorganization is effected now and this only gives a legal status to the method of doing it that is in existence to-day.

Mr. HAUGEN. Then it is legislation and subject to the point of order. I would prefer to pass it for the present and let the policy be determined as to whether the reorganization shall be effected or not.

Mr. ANDERSON. I do not think it is subject to a point of order, but if the gentleman wants to reserve it until we pass the item with reference to the extension service which is connected with it, I shall have no objection.

Mr. HAUGEN. The gentleman's contention is that this legislation is absolutely necessary—the reorganization suggested.

Mr. ANDERSON. I think it is, anyway. It certainly is if the reorganization is effected.

Mr. HAUGEN. I would like to hear the gentleman on the reorganization. I have read the hearings. It does not seem to throw very much light on the subject and what is to be gained by the reorganization. I have read the testimony of Mr. Pugsley and the rest.

Mr. ANDERSON. The gentleman would not expect me to throw more light than the Assistant Secretary of Agriculture and the others?

Mr. HAUGEN. What saving could be effected by it?

Mr. ANDERSON. I think we can throw some light on that proposition later on.

Mr. HAUGEN. If we pass it for the present we will then decide.

The CHAIRMAN. Does the gentleman from Iowa make the point of order?

Mr. HAUGEN. I ask unanimous consent that the paragraph be passed for the present without prejudice.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the paragraph be passed without prejudice. Is there objection?

Mr. BLANTON. Mr. Chairman, I think we might as well thrash that question out now. There are several matters in here I would like the Chair to pass on.

Mr. ANDERSON. Do I understand the gentleman to object?

Mr. BLANTON. I think all of the points of order ought to be passed on now and not be suspended over.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. BLANTON. If the gentleman from Iowa does not I am going to make one or two points of order. I reserve a point of order on the paragraph for the present, Mr. Chairman, until the gentleman acts.

Mr. HAUGEN. If the gentleman reserves the point of order, I suggest that we pass the paragraph because this proposition is coming up on pages 3 and 4.

Mr. BLANTON. I would like to ask a question or two if the gentleman from Iowa has finished. To create this new director of extension the gentleman in his opening speech admitted would require the creation of a new bureau in this department?

Mr. ANDERSON. No.

Mr. BLANTON. I so understood it.

Mr. ANDERSON. Under the reorganization no new bureau is created. The office of Home Economics, which as now carried is under the States Relations Service, becomes a separate bureau under this reorganization and becomes such separate bureau with exactly the same statutory force and the same appropriation they now have.

Mr. BLANTON. But with the passage of this paragraph, as it now stands, will there or will there not be an additional bureau in the Department of Agriculture?

Mr. ANDERSON. Well, this particular paragraph will not have any effect in reference to the creation of the bureau to which the gentleman refers.

Mr. BLANTON. But there is an additional bureau created by this bill?

Mr. ANDERSON. Not an additional bureau.

Mr. BLANTON. More than we have at this time?

Mr. ANDERSON. No; not at all. The office is there; it is now under the States Relations Service; it has a statutory roll; it has an appropriation. All this reorganization does,

or one of the things it does, is to take that office from under the States Relations Service and make a separate bureau, with exactly the same statutory force and the same appropriation that it now has.

Mr. BLANTON. I call attention to the growing list of help that the department annually is getting in the way of legal advice, and I presume, by reason of getting the extra legal advice from time to time, that they must have created new bureaus. For instance, this paragraph gives a solicitor to the Secretary at \$5,000 a year.

Mr. ANDERSON. They have always had that.

Mr. BLANTON. They have always had that—that is an attorney?

Mr. ANDERSON. Yes.

Mr. BLANTON. The solicitor is an attorney?

Mr. ANDERSON. Yes.

Mr. BLANTON. Down a little further, in line 15, after giving a solicitor at \$5,000 a year they give attorneys. I do not know why they have a different specification and do not call them solicitors, but they are called attorneys—one at \$4,000, two at \$3,500 each, two at \$3,250 each; law clerks, four at \$3,000 each—I may say that used to be the salary that a circuit judge would draw in the States of Minnesota and Texas not so many years ago, but they call them law clerks here. Two additional law clerks at \$2,750 each, four at \$2,500 each, eight at \$2,250 each, and one at \$2,200. What is the necessity for so much legal advice to be lodged in the Department of Agriculture in addition to the swarm of lawyers in the Department of Justice?

Mr. ANDERSON. If the gentleman knew more about the Department of Agriculture than he apparently does he would not ask this question.

Mr. BLANTON. I hope some of these days I may know half as much as the distinguished gentleman from Minnesota, because sincerely I believe he knows more about the Department of Agriculture than any other man on this floor. I am hopeful some day to know partly as much as he does. But I am down there frequently; I am in the various bureaus frequently; I am asking questions down there frequently, trying to find out, just as the gentleman from Minnesota used to do, something about the business of this country, and for my life I can not see why they should need so many high-salaried lawyers down there in the Agricultural Department.

Mr. ANDERSON. I think I can answer the gentleman's question, and I shall be glad to. In the first place, the solicitor's roll under this paragraph carries \$2,500 less than it carried before.

Mr. BLANTON. The gentleman means than last year?

Mr. ANDERSON. Yes.

Mr. BLANTON. How about the fiscal year 1917?

Mr. ANDERSON. Let me answer the gentleman's question. There are two new places in the solicitor's office, one attorney at \$4,000 and one at \$3,500. They take the place of five law clerks at \$2,000 each, so that there is an actual saving as the result of that readjustment of \$2,500.

Now, the Department of Agriculture is charged with the enforcement of a large number of very important laws—the pure food law, the grain futures act, the packers and stockyards act, and a large number of other very important laws. Now, of course, the actual prosecution of violations of those acts is conducted by the Attorney General's office, but the cases have all to be prepared, the evidence has to be secured, the cases have to be proved up, and the whole business has to be put into the hands of the Attorney General as ready for trial. That requires quite a large force of attorneys.

In addition to that, there are constantly arising in the department questions of interpretations of these laws, the interpretation to be put upon appropriations, and a great many other matters, all of which require a considerable amount of research and the giving of sound legal advice to the Secretary in connection with his duties.

Mr. BLANTON. I am sure that explanation appeals to the gentleman from Minnesota, but I was under the impression that this particular administration, and especially the gentleman himself, was in favor of a consolidation rather than an extension of the various bureaus of the Government, and from my investigation I believe that much of this work that is now done by the various lawyers in the Department of Agriculture should be left to the lawyers in the Department of Justice. May I ask the gentleman this question for information? How many more lawyers—and when I speak of lawyers I am speaking of these law clerks that draw \$3,000 a year, and I suppose they are lawyers—

Mr. ANDERSON. They are.

Mr. BLANTON. How many more of them are we giving to the department in this bill than the department had in 1917? That was the last normal fiscal year.

Mr. ANDERSON. I am afraid I can not answer that question, but my guess would be that under this bill we have a less number of lawyers than we had then.

Mr. BLANTON. I am afraid the gentleman is mistaken about that conjecture. If the gentleman has those figures there, I would like him to give them to us.

Mr. ANDERSON. I have not got them here.

Mr. BLANTON. On the statement of the gentleman that it does not create a new bureau, I withdraw the reservation of the point of order.

The CHAIRMAN. The reservation is withdrawn. The Clerk will read.

Mr. HAUGEN. Mr. Chairman, I reserve a point of order.

Mr. TILSON. Mr. Chairman, before passing from this I notice there is an increase in the total amount. Is that due to bringing some activities under this paragraph that are now under some other paragraph?

Mr. ANDERSON. I will be very glad to explain that to the gentleman. Of course, the gentleman understands, in the first place, that the office of the Secretary here includes a great deal more than the language itself signifies. It includes the office of the Assistant Secretary, and it includes the office of the solicitor, and it includes quite a number of agencies that are directly under the Secretary's office in addition to what would ordinarily be meant under the language "Office of the Secretary."

Now, while this does show an apparent increase in the amount, in reality it is not an increase. It has been the practice for a good many years to carry on the various rolls of the department employees who are detailed to the Secretary's office. Now, where the addition of activities of one kind and another results in increasing the work in the Secretary's office, these details become permanent. When they do become permanent in that way we take them off the lump-sum roll in which they are carried and carry them on the Secretary's roll; so that this sum now, though apparently representing an increase, actually represents a decrease because of the persons taken from the lump-sum appropriation and placed in this paragraph.

Mr. TILSON. Is this item here, "Salary of director of scientific work," new?

Mr. ANDERSON. Yes; since last year.

Mr. TILSON. And so with a number of others, aggregating about \$20,000 increase?

Mr. ANDERSON. Yes.

The CHAIRMAN. Does the gentleman from Iowa [Mr. HAUGEN] desire to make a point of order on the paragraph?

Mr. HAUGEN. My idea was to withdraw the point of order and ask that the paragraph be passed over until later.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the paragraph be passed over without prejudice. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For salaries and compensation of necessary employees in the mechanical shops and power plant of the Department of Agriculture, \$90,000.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. COOPER of Wisconsin. Who is to determine the number of these so-called "necessary employees"?

Mr. ANDERSON. The gentleman, I suppose, is familiar with how this item comes to be in this form?

Mr. COOPER of Wisconsin. No.

Mr. ANDERSON. We formerly had a statutory roll in the mechanical shops, and prior to that there was carried a number of employees in all the bureaus doing this kind of work. These employees were all gathered under one statutory item in the Secretary's office. Some of them are employed part of the time and some are employed the year round. Last year we made a lump sum of \$90,000, which represented a decrease, as I recall, of \$19,000, and placed them at fixed salaries on the statutory roll.

Mr. COOPER of Wisconsin. The number of employees not being fixed by law but left to the discretion of some officer, he can pay all the salary he may please to any individual provided the aggregate of all salaries shall not exceed \$90,000?

Mr. ANDERSON. Within the limitation of existing law.

Mr. COOPER of Wisconsin. What would be the maximum salary possible to be paid?

Mr. ANDERSON. It would depend on the character of the employees. They are all obtained through the Civil Service Commission.

Mr. COOPER of Wisconsin. Exactly. Have we any law to-day which would fix the maximum salary which could be paid under these two lines?

Mr. ANDERSON. So far as I know, possibly not. I could not answer the gentleman's question definitely.

Mr. COOPER of Wisconsin. If we have not, then we have this situation: We have \$90,000 appropriated in a lump sum, and the number of employees and the salaries to be paid to them not fixed, and it is left entirely to the discretion of some man to pay any salary as large as he pleases to any employee, provided the aggregate of all salaries shall not exceed \$90,000. Now, with all respect to the gentleman and the committee who have done such fine work in preparing this bill, it seems to me that this is a discretion that ought not to be lodged in any man who has charge of the expenditure of the public funds. There are very few private employers who would turn over to any man the right to take out of the employer's bank account \$90,000 and pay it all to as few men as he might decide to pay it to—to fix the salaries in his discretion; and inasmuch as we are expending money out of the Public Treasury it would look as if there ought to be something to limit that.

Mr. ANDERSON. Mr. Chairman, may I say in answer to the gentleman that, of course, there is so much work of this kind to be done in the department that the department would only be spiting itself by fixing salaries so high that it could employ only an insufficient number of people to do the work. But the real answer to the gentleman, it seems to me, is that the salaries which have been paid heretofore do not justify his fear. For example, we have employed now under this item a mechanical superintendent who gets \$3,000 a year. We have an assistant mechanical superintendent who gets \$2,500 a year, a chief engineer who gets \$2,040, an executive clerk who gets \$2,000, a foreman who gets \$1,800, a messenger who gets \$720. Then we have two mechanical assistants who are paid \$1,400 to \$1,800. We have 17 carpenters who are paid from \$840 to \$1,600. I am sure the gentleman would not say those salaries are exorbitant.

Mr. COOPER of Wisconsin. No; I will say that those figures seem to be very reasonable; and that leads me to ask, Why should not specific mention of those salaries be incorporated in the pending bill, and these not be left entirely to the discretion of some person to determine the number of employees and the salaries to be paid?

Why should a department official be given a lump sum of \$90,000 to expend in his discretion when the figures that the gentleman has just read show that it is not at all necessary to legislate in that way?

Mr. ANDERSON. I do not think the figures show anything to be feared. They show that the policy which we adopted when we established this lump sum has fully justified the confidence we reposed in the department in doing it.

Mr. COOPER of Wisconsin. Then why did the gentleman in the first paragraph of the bill go into such details, mentioning particularly the employees, the number of them, and the salary of each?

Mr. ANDERSON. Because that class of employment is entirely different. Those people are employed at annual salaries, while a part of the mechanical force is employed for day work, part of it month by month, and part of it for the entire year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER of Wisconsin. I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that his time be extended three minutes. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. The reason I propounded the question I did was not because I have any doubt as to the integrity of any gentleman, especially not of the gentleman from Minnesota [Mr. ANDERSON], or of any man in the department who has the employing of these people, but because I do know that wherever possible—and it is possible here—the Congress of the United States should not turn over lump sums of the people's money to be expended in salaries in the discretion of any department official. With all respect to the gentleman from Minnesota, who says he has the utmost confidence in these particular officials, you could say that of every official in the public service, and never have a bill of rights, either in the Federal Constitution or in the constitutions of the respective

States. If you are to believe that all public officials are honest, and that there need be no restrictions around them, what necessity is there for your bill of rights? Not only that, but, as Thomas Jefferson said, governments are founded on distrust of human nature. Men may use their own money as they please, but the expenditure of the money of the taxpayers of the Nation ought to be regulated, in as far as possible, in the letter of the law enacted by the Congress of the United States.

Mr. TILSON. Mr. Chairman, I rise in opposition to the pro forma amendment. It seems to me that the general policy followed by the committee is a sound one. If there were necessity for making a limitation that no salary under this lump-sum appropriation should be larger than a certain sum, as is done in other departments, that might be worth while; but it seems to me that to attempt to write out a statutory roll in all its details would be an unwise thing; because when a person gets on the statutory roll the head of that bureau has a very difficult task ever to dislodge him from that roll, and there is less chance for improvement in a department if thus hampered.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. TILSON. Yes.

Mr. COOPER of Wisconsin. Does the gentleman think there would be anything improper in saying that no salary should exceed a certain sum?

Mr. TILSON. I do not. That very thing is provided in the naval bill that we passed the other day. Many of the paragraphs of that bill contain such a limitation, and I do not say that it is inadvisable.

Mr. COOPER of Wisconsin. That is all I had in mind. You can readily see that a man having a lump sum of \$90,000 to expend might pay to some man of whom he was fond a larger sum than would be necessary; and inasmuch as the paragraph which the gentleman from Minnesota read shows that the highest salary paid last year was but \$3,500, I had in mind that there ought to be some limitation of that sort.

Mr. TILSON. After all, these lists of the employees paid out of the lump-sum appropriations are gone over with a fine-tooth comb every year by the committee in order to see what the department has done with the money the year before. I believe that leaving a little bit of leeway, a little discretion on the part of the department, makes for better service than can be obtained by tying it up with an absolute iron-bound statutory roll.

Mr. BUCHANAN. I will state to the gentleman from Wisconsin also that accompanying the estimate is an itemized statement showing each necessary employee and the salary at which he is going to be employed under this appropriation, and the department has always been bound by that statement.

Mr. TILSON. I do not believe that we are running a serious risk of the department abusing its trust. I believe that this gives sufficient leeway whereby the department can pay some of the employees more than it has been paying them and cut off a few that are unnecessary. For my own part, I think that we ought to have a less number of Government employees and at the same time require a higher degree of efficiency and pay higher salaries to those remaining in the service.

Mr. HAUGEN. After all, it leaves it to the department in its discretion to pay any salary within the appropriation.

Mr. TILSON. Of course it can not go beyond that.

Mr. HAUGEN. What is the present limitation?

Mr. ANDERSON. That would have no application here. The present limitation is for a certain number at \$8,500, a certain number at \$5,500, and a certain number at \$5,000.

Mr. TILSON. According to the class of civil service under which they are employed. It seems to me that the policy of the committee is correct.

Mr. ANDERSON. Three thousand dollars is the highest paid to the mechanical superintendent, and the ordinary law which applies to the use of lump-sum appropriations applies here as well as elsewhere.

Mr. HAUGEN. There is no general law. You have a law affecting the salaries in certain departments. Is there any limitation put upon the salaries except the \$4,500?

Mr. ANDERSON. No.

Mr. HAUGEN. Can the gentleman give us the salaries paid under the statutory roll, so that we may know whether these salaries have been increased or decreased?

Mr. ANDERSON. The roll under 1922, which I think was the last year, carried exactly the same salaries that are paid now.

Mr. HAUGEN. The salaries were not increased by the lump sum?

Mr. ANDERSON. No.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. COOPER of Wisconsin. Do I understand that there is a law which would prohibit the paying of larger salaries than is mentioned in the list which the gentleman read?

Mr. ANDERSON. This is the law on the subject, which is not applicable, however, to mechanical employees because there is a question, of course, of the price which is being paid to mechanical employees in competition with other private agencies that use them. But, speaking generally, the lump-sum funds can not be used to increase the salary of a person taken from the statutory roll and placed in a lump-sum appropriation.

The CHAIRMAN. The pro forma amendment will be withdrawn.

The Clerk read as follows:

OFFICES OF EDITORIAL AND DISTRIBUTION WORK.

Salaries: Assistant in charge of editorial office, \$5,000; assistant in charge of office of distribution, \$3,500; editor, \$3,000; executive assistant, \$3,000; assistant editors—1 \$2,250, 2 at \$2,000 each, 1 \$1,800; assistants in charge—1 of addressing, duplicating, and mailing, \$2,400; 1 of indexing, \$2,000; draftsman or photographer, \$2,100; chief clerk, \$2,000; assistants—2 at \$2,500 each, 3 at \$2,000 each; indexer or compiler, \$1,800; artist and designer, \$2,500; draftsmen or photographers—1 \$1,600, 1 \$1,500, 3 at \$1,400 each, 1 \$1,300, 10 at \$1,200 each; lantern-slide colorist, \$1,200; executive clerk, \$2,000; clerks—3 of class 4, 4 of class 3, 10 of class 2, 18 of class 1, 19 at \$1,100 each, 45 at \$960 each; mechanical assistant, \$1,980; machine operators—1 \$1,500, 4 at \$1,400 each, 13 at \$1,200 each, 7 at \$1,100 each, 5 at \$1,000 each; folders—1 \$1,200, 2 at \$1,000 each; messengers or laborers—3 at \$900 each, 8 at \$840 each, 4 at \$780 each, 10 at \$720 each, 1 \$600; 8 skilled laborers, at \$1,100 each; messenger boys—5 at \$720 each, 1 \$660, 5 at \$600 each, 6 at \$480 each; charwomen—3 at \$480 each, 3 at \$240 each; in all, \$263,670.

Mr. JOHNSON of Washington. Mr. Chairman, I reserve a point of order against the paragraph. Here is an assistant in charge of editorial office, \$5,000. Where do we get that?

Mr. ANDERSON. That is in the Division of Publications under a new title.

Mr. JOHNSON of Washington. Have we had an assistant in charge of the editorial office at \$5,000?

Mr. ANDERSON. We have not; that is a new position.

Mr. JOHNSON of Washington. Then you have an assistant charged with the office of distribution, \$3,500.

Mr. ANDERSON. Yes.

Mr. JOHNSON of Washington. And an editor at \$3,000, an executive assistant at \$3,000, and assistant editors—one at \$2,500 and two at \$2,000 and one at \$1,800.

Mr. ANDERSON. Yes.

Mr. JOHNSON of Washington. The price of editors must have come down. Assistant in charge of the editorial office—I suppose that means an assistant secretary; if not, what does it mean?

Mr. ANDERSON. It means an assistant to the Secretary in charge of this office.

Mr. JOHNSON of Washington. I think it means an Assistant Secretary in charge of the office; \$5,000 is the pay of an Assistant Secretary.

Mr. ANDERSON. It means substantially the same as Chief of the Bureau of Publications.

Mr. JOHNSON of Washington. What was his salary?

Mr. ANDERSON. I think \$3,500.

Mr. JOHNSON of Washington. I do not wish to object to the whole paragraph, but I will ask the chairman of the subcommittee if he would object to an amendment reducing the salaries of the various editors?

Mr. BLANTON. The gentleman can reach that by his point of order.

Mr. JOHNSON of Washington. I am withholding the point of order. I do not care to destroy the editorial work going on, but I think it is unnecessary to have it overdone.

Mr. ANDERSON. I said that the assistant in charge of the editorial office is a new employee. I was in error. There is an assistant in charge of the editorial office who is now paid out of the lump sum for extension service \$5,000.

Mr. JOHNSON of Washington. Is he mentioned in any provision of law?

Mr. ANDERSON. No; he is not carried on the statutory roll. His duties are the same as under the reorganization.

Mr. JOHNSON of Washington. I do not care to tear up the bill by making points of order, because that means a lot more work for the committee. Would the chairman be willing to accept an amendment reducing the salary to \$4,000?

Mr. ANDERSON. I have no information particularly as to whether the work is worth \$4,000 or \$5,000. This is a very important division.

Mr. JOHNSON of Washington. We are developing a systematic plan, and we have consolidated much of the printing, and yet here we have printing scattered all through the bill.

Mr. ANDERSON. No; it is all collected in one item.

Mr. JOHNSON of Washington. On the very next page you say that the provisions of a certain paragraph shall not apply to such printing and binding as is now specially authorized by law or by the decision of the Joint Committee on Printing.

Mr. ANDERSON. We can take that up when we reach it.

Mr. JOHNSON of Washington. I do not want to lose any rights under the reservation of the point of order.

Mr. ANDERSON. The gentleman can not lose any rights under a point of order as to a paragraph not yet reached.

Mr. JOHNSON of Washington. If you ever get an editor under the title of assistant in charge of an editorial office at \$5,000 a year you will never get rid of him, and everybody who has ever been around these Government establishments knows that.

Mr. ANDERSON. But I do not want to get rid of him. I think if he is put there that he ought to be kept there.

Mr. JOHNSON of Washington. This is creating a new office.

Mr. ANDERSON. It is not, because we have him now.

Mr. JOHNSON of Washington. But he is hidden out under a lump-sum appropriation.

Mr. ANDERSON. Is it not better to put him where we can see him?

Mr. JOHNSON of Washington. We have him now where we can see him, and let us get rid of him.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. BLANTON. If the gentleman makes the point of order as to the \$5,000 position and the Chair sustains him, it will go out, and the gentleman from Minnesota will then offer his amendment to restore him at \$3,500.

Mr. JOHNSON of Washington. Just one moment. Do not let us lose this thing. We are out for economy, and while we are all in favor of the Agricultural appropriation bill, we would like to discuss these things when we discover them. We have discovered a \$5,000 man hiding behind the lump-sum bush.

Mr. BLANTON. And the way to reach him is by a point of order to the \$5,000.

Mr. JOHNSON of Washington. Yes; and then we would get the \$3,500 man under the previous law, and the \$5,000 editor will still be hiding behind this lump sum.

Mr. BLANTON. No; I think you will knock him out completely.

Mr. JOHNSON of Washington. I am not sure of that, because these editors are everywhere and always irrepressible.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. I yield to the gentleman.

Mr. BEGG. I would like to know why the assistant gets \$5,000 and the editor \$3,000?

Mr. JOHNSON of Washington. Because the assistant is going to boss the editor.

Mr. BEGG. What are the assistant's duties?

Mr. JOHNSON of Washington. Oh, these editors and bosses of editors and bosses of editors. We know the brand.

Mr. ANDERSON. I do not think it makes much difference what you call these gentlemen, but certainly I would not call an editor as badly as my friend here who is one.

Mr. BEGG. Well, he knows what they are.

Mr. JOHNSON of Washington. I know that the market is down for editors just now.

Mr. ANDERSON. It is not in the Department of Agriculture.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order.

The CHAIRMAN. Just to what part of the paragraph is the gentleman making the point of order?

Mr. JOHNSON of Washington. I make the point of order to that portion of the paragraph beginning on line 15, page 4, and running as far as line 16 after the figures "\$3,000." I make the point that it is new legislation on an appropriation bill.

Mr. ANDERSON. Mr. Chairman, in the first place, this is not a new position. A person employed under this title is now employed in the Department of Agriculture and is paid out of a lump-sum appropriation for extension activities, and is engaged in substantially the same work as he will be engaged in under this appropriation, according to the chief of the division.

Mr. HAUGEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. HAUGEN. Is not this an entirely new position?

Mr. ANDERSON. No.

Mr. HAUGEN. It was so stated on page 31 of the hearings. Mr. Pugsley says:

There are only two new positions asked for; one is for a man to take charge of this editorial work in the Secretary's office, and the other is the director of extension work.

Mr. ANDERSON. I do not know which one of the gentlemen is right, but, on page 35, Mr. Cobbs, who has been in charge of the division of publications, stated:

The first place, page 11, assistant in charge of editorial office, at \$5,000, is a transfer from a lump-sum fund to the extension service, which has been correspondingly reduced and is to provide for a person to take charge of the offices of the editorial and distribution work.

Mr. JOHNSON of Washington. I suppose that is to be Mr. Cobbs?

Mr. ANDERSON. No; it will not be Mr. Cobbs.

Mr. JOHNSON of Washington. I hope not; but it will be somebody else equally adept in jockeying these things around from lump sums to high-sounding titles.

Mr. ANDERSON. Mr. Chairman, if I may proceed, the Chair is familiar with the general law applicable to the Department of Agriculture with reference to the employment of persons in connection with the services authorized by the appropriation.

I call the Chair's attention to section 523 of the Revised Statutes, which reads as follows, and this is a very old law:

The Commissioner of Agriculture shall appoint a chief clerk with a salary of \$2,000 a year, who in all cases during the necessary absence of the commissioner, or when the office of commissioner shall become vacant, shall perform the duties of the commissioner; and he shall appoint such other employees as Congress may from time to time provide, with salaries corresponding to salaries of similar officers in other departments of the Government, and he shall, as Congress may from time to time provide, employ other persons for such time as their services may be needed, including chemists, botanists, entomologists, and other persons skilled in the natural sciences pertaining to agriculture.

Of course that language does not specifically state that the Secretary of Agriculture may employ an assistant in charge of the editorial office, but it does in general language give the Secretary of Agriculture the power to employ such persons as Congress may provide for by appropriations.

Mr. BEGG. Does not that language specifically require that Congress shall provide for and then that the Secretary shall appoint?

Mr. ANDERSON. Yes.

Mr. BEGG. Instead of the way it is being done, the Secretary appointing and then coming down and asking Congress to provide?

Mr. ANDERSON. Congress provides the appropriations, and it has always been the practice under these appropriations for the Secretary to employ the necessary persons to carry out the purpose which Congress designated in the appropriation.

Mr. BEGG. Will the gentleman permit just one question further?

Mr. ANDERSON. Yes.

Mr. BEGG. On the gentleman's statement that Congress provides the appropriation before there is any excuse for an appropriation, that Congress felt the necessity for the office, instead of filling the office and then coming down and showing the necessity for the appropriation, I think we have just reversed the actual working of the law that the gentleman read.

Mr. ANDERSON. I can not agree with the gentleman at all. The whole question which arises, so far as the rules of the House are concerned, is whether there is statutory authority for the Secretary of Agriculture to employ a person to do this job. Is not that it?

Mr. BEGG. If the gentleman will permit I will say it is just exactly the contrary. Congress creates a department down there to do a specific work authorized by Congress. Now, under the interpretation the gentleman has put on it the Secretary of the Department of Agriculture could go to unlimited lengths and if he can, on the gentleman's contention, name one officer without specific authority and then come to Congress and say, "Under the authority you have given me originally I have named one officer," why, under the same authority he can name 100 officers.

Mr. ANDERSON. I do not claim he can name one officer. There is a distinction in the law between officers and employees of the department.

Mr. BEGG. I change my verbiage and use the word "employee" instead of "officer," and I still contend that under the authority of the general law if the Secretary of the Department of Agriculture can name one new employee he can name 100, and he is the sole judge and not Congress at all.

Mr. ANDERSON. I take the gentleman on his own statement. Let us suppose we should put in this bill some such language as this, "To enable the Secretary of Agriculture to assist farmers in dehorning cows, \$100,000," I venture to say the gentleman would not contend for a moment that under that appropriation the Secretary would not have the power to employ any persons necessary to carry that appropriation into effect.

Mr. BEGG. If the gentleman will permit, I will concede in that specific case, but does the gentleman contend that under the language "to assist in the development of agriculture" the deciding power as to how far the Government shall go in the development rests with the Secretary? In the illustration he gave he made a specific work, to dehorn cattle, \$100,000, but in this appropriation it is to assist in the development of agriculture, and I say the authority to say how far the United States shall go rests with the Secretary or with Congress, one of the two. The gentleman's contention is that it rests with the Secretary, and my contention is that no Congress intended to go that far.

Mr. ANDERSON. I do not question at all the power of the Congress to strike out this proposition and everything which pertains to the division of publications. The only question that arises is, Is there legal authority from the standpoint of the rules of this House to create this place? That is the only question, and the only determining factor there is, Has the Secretary of Agriculture the legal authority to employ a person to do this job? I think he clearly has.

Mr. BLANTON. Mr. Chairman, I would like for the Chairman to hear me just for a moment. Mr. Chairman, clearly the hearings show conclusively that this is a new position. I call the attention of the Chair to page 30 of the hearings. In speaking of this new employment Mr. BUCHANAN asked this question:

Is that the only new person you contemplate securing? Assistant Secretary PUGSLEY. On the extension end of the work it is. The Secretary is also asking for an editor in chief, at a salary which will permit him to get some person competent to do a lot of things that ought to be done in connection with the department bulletins.

Mr. BUCHANAN. Are these two men outside of the service you contemplate employing?

Assistant Secretary PUGSLEY. Those are the only two new positions we are asking for.

Now, on page 31, I call the attention of the Chair to the following:

Mr. BUCHANAN. You have no increases in salaries. What are those? Just let the record show that.

Assistant Secretary PUGSLEY. If there are any increases those will be taken up under the items as we come to them. There are no increases in salary due to the reorganization other than already explained.

Mr. BUCHANAN. You have a chief in charge, at \$5,000.

Assistant Secretary PUGSLEY. That is the editorial position I spoke of a moment ago, the man that the Secretary wants to take charge of all the publications of the department.

Mr. BUCHANAN. That is one increase, is it not?

Assistant Secretary PUGSLEY. That is a new position by transfer from a lump sum of the extension service, which fund has been reduced accordingly.

Now, the Assistant Secretary of Agriculture shows this is a new position, in which he is asking that this man be employed at \$5,000, and I am willing to take the statement of the distinguished gentleman from Washington [Mr. JOHNSON], who is not only a distinguished Member of this Congress but a distinguished editor of long experience, that this editor is not worth \$5,000 a year, and that the old salary authorized by law of \$3,500 ought to be sufficient to get the very best of help for this department. I insist on the point of order.

Mr. TILSON. Will the Chair hear me for a moment on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Connecticut.

Mr. TILSON. I am afraid that I shall again have to take issue with my good friend from Texas [Mr. BLANTON] on a parliamentary matter. As I view this question, Mr. Chairman, it makes no difference whether it is a new position or an old one. Whether it is a transfer from a lump-sum appropriation or whether it is entirely new, the question is whether the service here proposed to be appropriated for is a service authorized by the law.

Some of us who sometimes give attention to parliamentary questions have been fooled on this Agricultural appropriation bill before. The organic law of the Department of Agriculture is broader than that of any other department in the whole Government, so that the rules applicable to other departments do not apply in many cases to the Agricultural Department on account of this difference in the organic law of the department.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield to me while I read a quotation from the fundamental law?

Mr. TILSON. I will.

Mr. BUCHANAN. I read:

For the diffusion among the people of the United States of useful information in connection with the subject of agriculture in the most general and comprehensive sense of that word.

Mr. TILSON. I thank the gentleman. The gentleman from Texas has supplied the quotation from the organic law that I was not able to give from memory.

Mr. JOHNSON of Washington. I was not able to hear the gentleman.

Mr. TILSON. I was addressing my remarks to the Chair.

Mr. JOHNSON of Washington. Does the gentleman contend that the words "assistant in charge of editorial office" are admissible in a bill of this kind under the fundamental law?

Mr. TILSON. Yes. If these words were stricken out here it would make no difference. The Secretary of Agriculture could put the same man now holding the position on again at the same salary. In order to prevent this, the gentleman would have to put in a limitation by means of an amendment to the effect that no man who is employed by the Department of Agriculture as an editor shall receive more than \$3,500, if that is the limit to which the gentleman is willing to go in salaries for editors.

Mr. JOHNSON of Washington. If it said "Assistant Secretary, in charge of editorial office, at \$5,000," and established the Assistant Secretary, we have no recourse?

Mr. TILSON. We are not establishing anything. We are appropriating for a certain work that is authorized by existing law.

Mr. JOHNSON of Washington. And in a sly sort of way here we are giving some tone to an office that has been hiding. Is not that what we are doing?

Mr. TILSON. The gentleman from Washington may characterize it as he pleases. It does not change the facts or the law in the case. This service is authorized by the fundamental law creating the Department of Agriculture, and we are here called upon to appropriate for it under a name. It makes no difference what the name is, whether it has a name at all. We are authorized under the law to appropriate for it if we so desire, and therefore, in my judgment, Mr. Chairman, it is not subject to a point of order.

Mr. BEGG. Mr. Chairman, I think the decision of this particular point of order is a determining factor in the question as to what the policy of the Congress shall be and how far any Secretary of a department may go under a general authorization.

I would like to call the attention of the Chair to the last part of section 523 in the volume known as "Laws Applicable to the Department of Agriculture," specifically referring to new appointments. I will concede the contention of the gentleman from Connecticut [Mr. TILSON] that the Secretary of Agriculture may do what he wants to do with his lump-sum appropriation.

The CHAIRMAN. Does the gentleman mean section 622?

Mr. BEGG. I mean paragraph or section 523 in this book. It is found on page 12.

The CHAIRMAN. The gentleman has a copy of another code.

Mr. BEGG. I want to read that. Speaking of the commissioner, it says:

And he shall appoint such other employees as Congress may from time to time provide, with salaries corresponding to the salaries of similar officers in other departments of the Government, and he shall, as Congress may from time to time provide, employ other persons for such time as their services may be needed, including chemists, botanists, entomologists, and other persons skilled in the sciences.

Now, I maintain, Mr. Chairman, that that language specifically requires this Congress to provide the office before this committee, which is an appropriating committee, has any right to come in and make an appropriation for an office that is not in existence.

I will concede again, as I did a moment ago, that under a lump-sum appropriation the Secretary of Agriculture may spend this money for this identical purpose. He can do it if the money is carried in a lump sum. But this committee has no legal right under the rules of this House to come in with an appropriation for a specific office which has never been created under a statute by this body.

Now, Mr. Chairman, it seems to me that is all there is in the point of order. I will not deny that the Secretary can appoint a man out of the lump sum to do this very thing. I am denying that this committee, which is deprived of legislative power under a specific rule, can bring in an appropriation for a specific office before that office has been created by Congress under general statute creating that organization, because that statute plainly says that the Secretary may appoint and shall appoint after Congress has provided the office.

Mr. ANDERSON. Mr. Chairman, I just want to say this, that if the gentleman is right, then 99 out of 100 specific appropriations in this bill are subject to a point of order.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. Yes.

Mr. BEGG. If the gentleman is correct in his assertion, that is not any reason why we ought to continue to go wrong. [Applause.]

Now, if I am right the Chair ought to uphold that, and it is a simple case of a judicial decision on the language. If the English language here does not mean what it says, then I do not know what it does mean. It says the Secretary may appoint after Congress has provided the job. I maintain again that this committee can not appropriate for something that is not in existence. They can get around that particular thing by adding \$5,000 to the lump sum, and the Secretary can go ahead and do what he pleases with the lump sum. But we have no right to put it in in that shape.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BEGG. Yes.

Mr. HILL. As to the lump-sum provision at the bottom of page 5, "General expenses, offices of editorial and distribution work," could \$5,000 be taken from that for this purpose?

Mr. BEGG. Unquestionably you could take it all if you wanted to.

Mr. ANDERSON. You could not take a dollar of it. It is for another purpose.

Mr. HAUGEN. Mr. Chairman, the creation of a new office or a new bureau has universally been held to be subject to a point of order; clearly it is legislation not authorized by law. I recall that time and time again such a provision has been held to be subject to a point of order. If one office can be created, then any number of offices can be created. If this office can be created, it is possible also to create the office of a Third Assistant Secretary. That question has been decided in the past, and it has been held that such a provision was subject to a point of order.

Mr. TILSON. I do not believe anybody would deny the statement of the gentleman, which is absolutely sound, but I do not think anyone here claims this creates an office. I do not believe the gentleman from Minnesota claims that it creates an office. It is not legislation at all. It is simply an appropriation.

Mr. HAUGEN. The gentleman from Minnesota [Mr. ANDERSON] states that it does not create a new position, but there is a change of title, which makes it subject to a point of order.

Mr. FESS. If this change is made, which the chairman of the committee claims is only a change in title, will there be any additional appropriation required by making the change?

Mr. HAUGEN. I understand the gentleman to say that it carries an increase of \$1,500.

Mr. FESS. How is it the creation of a new office, if there is no additional amount of money required to be appropriated and if it is not creating some work that has not yet been done? If this work is being done under a different name and this is merely changing the name, is there any new office created?

Mr. HAUGEN. It changes the title.

Mr. FESS. The question might be answered more clearly if I put it this way: If you make this man an assistant editor instead of what you first called him, will the assistant editor be an additional officer, or will you continue an office that would otherwise be displaced?

Mr. HAUGEN. If you made the title exactly what it was before it would not be subject to a point of order.

Mr. FESS. As a matter of fact, is this an additional office?

Mr. HAUGEN. Under the rules of the House a change of title or the creation of a new bureau or a new office is subject to a point of order.

Mr. FESS. I should not think a change of the character of work the man is doing would be a change of law.

Mr. JOHNSON of Washington. The gentleman has had some experience in seeing bureaus created, and he knows that if this position is created and there is anything left in the lump sum and they need another editor to do mimeograph work or to cut clippings out of a newspaper, they will employ that other man out of the lump sum, and thus the bureau grows. It is the old story.

Mr. FESS. The gentleman has got right to the crux of the thing. The point I am after is this: If we make this change, will the other place for which this is substituted be continued?

Mr. JOHNSON of Washington. As long as there is anything left in the lump sum and somebody thinks there is additional editorial, or so-called editorial, work to be done.

Mr. FESS. If the other place is to be continued, of course this would be the creation of a new office.

Mr. HAUGEN. The present title is chief of division, which is stricken out, and this new language is chief editor, and this language is a substitute for the other.

Mr. FESS. When you create the position of chief editor is the chief of division continued?

Mr. ANDERSON. None of these officers under the Division of Publications has ever been established by any law

whatever; not one of them. I will challenge the gentleman from Iowa [Mr. HAUGEN] and the gentleman from Washington [Mr. JOHNSON] and the gentleman from Ohio [Mr. FESS] or anybody else to find one law that ever has established these places. The only thing that has ever been done was to pass a law which authorized the Secretary of Agriculture to disseminate useful information.

As a result of that, a bureau was built up to carry out that authorization, and from time to time these places were created.

Mr. JOHNSON of Washington. They get certain appropriations for a forestry service, or field work, or anything you please, and most of them contain the words "and for other purposes," and they generally develop an editor and a newspaper. Now, is the House of Representatives helpless when it is proposed to create in an appropriation bill a position equal to that of an assistant head of a department—are we helpless when we make a point of order because there has been a lump-sum appropriation somewhere?

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had concurred in the amendments of the House of Representatives to the amendments of the Senate numbered 1 and 14 to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

Mr. BLANTON. The gentleman says most of these positions are in the same fix. They have not been stricken out heretofore because the Members of the House thought they were salutary and did not care to make points of order against them. But I ask the gentleman to remember the situation of the Indian bill, when the distinguished gentleman from New York [Mr. SNYDER] was on the warpath and stood on the floor here and made a point of order against practically every single paragraph of the bill and was sustained, and it required a special rule of the House to make the entire Indian bill in order, because that committee had been doing just exactly what this committee has been doing—carrying legislative provisions for years and years without any authority of law. But when the membership sees fit to raise points of order against some position which shocks the conscience, if they think it ought to stop, it is not a good argument to say that the members of the Committee of the Whole have permitted it heretofore.

Mr. REED of West Virginia. Does the gentleman think that a salary of \$5,000 for a man of this kind shocks the conscience of the House?

Mr. BLANTON. I am taking the evidence of the distinguished editor from Washington, Mr. JOHNSON, who says that it is \$1,500 more than the very best talent in the country can be obtained for.

Mr. ANDERSON. This man is not merely an editor. He is in charge of one of the most important divisions of the Department of Agriculture.

Mr. BLANTON. And probably does less work than the editor or subeditor or assistant subeditor does. Whenever you raise a grade or increase a salary you get more dignity and golf but less work out of the individual.

Mr. HAUGEN. I desire to reserve a point of order on the paragraph.

The CHAIRMAN. The Chair is ready to rule. The Chair realizes that there are complications in this point of order and appreciates the force of the argument advanced by the gentleman from Ohio [Mr. BEGG], but last year an almost similar situation arose, and at that time the Chair went into the matter very thoroughly and quoted a number of authorities. Without taking the time of the committee to rehearse the precedents, it seems to the Chair that the gentleman from Connecticut [Mr. TILSON] has expressed the controlling factor in this case, and that is: Does the authority to engage these employees rest with the Department of Agriculture under existing law? The law creating that department and the law under which it is operated is probably the broadest of any law relating to any department of the Government, and last year when an appropriation for a new employee was presented against which a point of order was made the Chair addressed himself to the question whether the Secretary of Agriculture has the authority. The Chair thought then and thinks now that he has, and basing his decision on that decision rendered by the present occupant of the chair, and fortified further by a decision of Chairman TOWNER on January 24 last, the Chair

believes that this item is in order and therefore overrules the point of order.

Mr. JOHNSON of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Before the gentleman has his amendment reported, the gentleman from Iowa [Mr. HAUGEN] reserved a point of order, and it seems to the Chair that had better be disposed of first.

Mr. JOHNSON of Washington. Mr. Chairman, I withdraw the amendment.

Mr. HAUGEN. I reserved a point of order on the section.

The CHAIRMAN. What is the gentleman's point of order?

Mr. HAUGEN. It is that it changes the title of "Division of publications" to "Offices of editorial and distribution work."

Mr. ANDERSON. Mr. Chairman, I revert to the question of fact that the division of publications by name has never been created by any act of Congress. It is merely a convenient title by which the division which conducts a certain class of work in the Department of Agriculture is carried on. When that was created in the department by the Secretary it could have been given any name which he pleased to give it. It has no sanction of law. It is not so sacred that it can not be changed either by us or by the Secretary. This title does not change the appropriation status of this division at all. It is simply a convenient subtitle under which certain appropriations are placed in order to designate in a general way the division in the Department of Agriculture which shall perform this function. It is not legislation in any sense, because the original title was not legislation.

Mr. HAUGEN. I think under the rule it is not in order. If this never has been authorized it is out of order under the rule.

The CHAIRMAN. The gentleman from Iowa makes the point of order that it is a change of title and therefore legislation. The Chair agrees with the gentleman from Minnesota that the appropriations have not been altered by a change of name and that it is not legislation. By giving a title is simply a method to designate certain activities, and therefore a change of name by the department is not a change of authority or the creation of a new activity. No legislation was enacted to create the title and no legislation is proposed creating a new bureau. The Chair overrules the point of order.

Mr. JOHNSON of Washington. Now, Mr. Chairman, I offer my amendment.

The Clerk read as follows:

Page 4, line 14, strike out the figures \$5,000 and insert in lieu thereof \$3,500.

Mr. JOHNSON of Washington. Mr. Chairman, this reduces the salary of the assistant in charge of the editorial office to an amount which is \$500 more than the editor, and should be enough to justify and require the assistant in charge of the editorial office to be in a position slightly less than that of Assistant Secretary, and make his position in true relation to that of the Assistant Secretary, who is or should be his superior officer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. ANDERSON) there were 16 ayes and 16 noes.

Mr. JOHNSON of Washington. Mr. Chairman, I ask for tellers.

The question of ordering tellers was taken, and 10 Members rose.

The CHAIRMAN. Not a sufficient number, and tellers are refused.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order that no quorum is present.

Mr. ANDERSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13481, the Agricultural appropriation bill, and had come to no resolution thereon.

CONTESTED-ELECTION CASE—GARTENSTEIN v. SABATH.

Mr. DOWELL. Mr. Speaker, I offer a privileged report (H. Rept. 1308) from Committee on Elections No. 3 on the contested-election case of Gartenstein v. Sabath.

The SPEAKER. The Clerk will report the title.

The Clerk read as follows:

Contested-election case of Jacob Gartenstein v. Adolph J. Sabath, fifth district of Illinois.

Mr. DOWELL. I will say, Mr. Speaker, that this is the unanimous report of the committee.

LEAVES OF ABSENCE.

By unanimous consent the following leaves of absence were granted:

To Mr. TAYLOR of Tennessee for 10 days on account of important business.

To Mr. GRIFFIN (at the request of Mr. GARRETT of Tennessee) for 10 days on account of personal illness.

To Mr. SHAW, until January 2, 1923, on account of illness.

RUSSIAN RELIEF.

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

As required by the act of Congress for the relief of the distressed and starving people of Russia, approved December 22, 1921, I transmit herewith reports from the American Relief Administration, the United States Grain Corporation as fiscal agent for the Purchasing Commission for Russian Relief, and the Comptroller of the American Relief Administration, which organizations were designated to carry out the provisions of the said act.

WARREN G. HARDING.

THE WHITE HOUSE, December 20, 1922.

ADJOURNMENT.

Mr. ANDERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Thursday, December 21, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

846. A letter from the Secretary of the United States Shipping Board, transmitting report of claims arbitrated or settled by agreement by the United States Shipping Board Emergency Fleet Corporation from October 16, 1921, to October 15, 1922; to the Committee on the Merchant Marine and Fisheries.

847. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Passaic River, N. J., from the Montclair & Greenwood Lake Railroad bridge to the Garfield Bridge, city of Passaic, N. J. (H. Doc. No. 513); to the Committee on Rivers and Harbors and ordered to be printed.

848. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on the feasibility, desirability, and cost of the best and most practicable connection between the Nome-Shelton system of communications and the coal deposits of the Nugruk River, Chicago Creek, and the Keewalik mining district, whether by wagon road, sled road, tramway, trail, or other means (H. Doc. No. 514); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LEA of California: Committee on Interstate and Foreign Commerce. S. 4069. An act to authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.; without amendment (Rept. No. 1305). Referred to the House Calendar.

Mr. STRONG of Kansas: Committee on War Claims. S. 851. An act authorizing the Secretary of War to make settlement with the lessees who erected buildings on a five-year lease on the zone at Camp Funston, Kans., and for other purposes; with an amendment (Rept. No. 1306). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAPES: Committee on Interstate and Foreign Commerce. H. R. 13000. A bill granting the consent of Congress to the city of Sioux City, Iowa, and to Union County, in the State of South Dakota, to construct, maintain, and operate a bridge and approaches thereto across the Big Sioux River at a point 2½ miles north of the mouth of said river, between section 14, township 89, range 48, Woodbury County, Iowa, and section 15, township 89, range 48, Union County, S. Dak.; without amendment (Rept. No. 1307). Referred to the House Calendar.

Mr. DOWELL: Committee on Elections No. 3. H. Report 1308. A report on the contested election case of Jacob Gartenstein against Adolph J. Sabath. Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HADLEY: A bill (H. R. 13508) providing for the sale of land comprising the military reservations on Shaw Island, San Juan County, Wash., and a grant of land to the county of San Juan, Wash.; to the Committee on Military Affairs.

By Mr. FISH: A bill (H. R. 13509) to authorize the acquisition of a site and the erection of a Federal building at Goshen, N. Y.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13510) to authorize the acquisition of a site and the erection of a Federal building at Newburgh, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. KELLER: A bill (H. R. 13511) granting the consent of Congress to the city of St. Paul, Minn., to construct a bridge across the Mississippi River; to the Committee on Interstate and Foreign Commerce.

By Mr. CHANDLER of Oklahoma: A bill (H. R. 13512) to provide for the purchase of a site and the erection of a new public building at Tulsa, Okla.; and also for the sale of the present post-office building and its site; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13513) for the purchase of a site and the erection of a public building at Miami, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13514) for the purchase of a site and the erection of a public building at Vinita, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13515) for the purchase of a site and the erection of a public building at Nowata, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13516) for the purchase of a site and the erection of a public building at Pawnee, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13517) for the purchase of a site and the erection of a public building at Pawhuska, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13518) for the purchase of a site and the erection of a public building at Bartlesville, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. TINKHAM: A bill (H. R. 13519) to extend the benefits of the employers' liability act of September 7, 1916, to James H. Lomasney; to the Committee on Claims.

By Mr. ROGERS: A bill (H. R. 13520) to amend sections 404 and 408 of the war risk insurance act as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: A bill (H. R. 13521) for the establishment of a Pacific coast national highway system; to the Committee on Military Affairs.

By Mr. MILLS: A bill (H. R. 13522) to make valid and enforceable written provisions or agreements for arbitration of disputes arising out of contracts, maritime transactions, or commerce among the States or Territories or with foreign nations; to the Committee on the Judiciary.

Also, a bill (H. R. 13523) relating to sales and contracts to sell in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. KAHN: A bill (H. R. 13524) to authorize the Secretary of War to sell, or cause to be sold, either in whole or in two or more parts, certain tracts or parcels of real property no longer needed for military purposes, and for other purposes; to the Committee on Military Affairs.

By Mr. STEENERSON: A bill (H. R. 13525) to fix the compensation of employees in post offices for overtime services performed in excess of eight hours daily; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLTON: A bill (H. R. 13526) granting a pension to Mary C. Roberts; to the Committee on Pensions.

By Mr. DARROW: A bill (H. R. 13527) granting a pension to Liberty E. Frank; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 13528) granting an increase of pension to Robert S. Stine; to the Committee on Pensions.

Also, a bill (H. R. 13529) granting a pension to Edith M. Snyder; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 13530) granting a pension to James E. Moran; to the Committee on Pensions.

By Mr. NELSON of Maine: A bill (H. R. 13531) for the relief of Walter Dickey; to the Committee on Naval Affairs.

By Mr. SEARS: A bill (H. R. 13532) for the relief of Capt. Henry Marcotte; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 13533) granting a pension to David Graft; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6649. By the SPEAKER (by request): Petition of Board of Supervisors of the City and County of San Francisco, memorializes the Congress of the United States to so amend the law now existing that the manufacture and use of light wines and beer for beverage purposes may be permitted; to the Committee on the Judiciary.

6650. Also, petition passed at a public meeting of American citizens, favoring Irish political independence, held December 17, 1922, at Odd Fellow's Temple, Cincinnati, Ohio; to the Committee on Foreign Affairs.

6651. By Mr. BRIGGS: Petition of C. J. Sweeney and others, for the abolition of the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6652. By Mr. KISSEL: Petition of Herbert Holton, Esq., associate professor of hygiene, accountable officer, Reserve Officers' Training Corps, New York City, N. Y., urging support of House bill 12819; to the Committee on Military Affairs.

6653. By Mr. McLAUGHLIN of Michigan: Petition of Swan Nelson and 19 others, of Newaygo, Mich., favoring the abolishment of the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6654. By Mr. MEAD: Petition of Earle V. Gray and other citizens, of Buffalo, N. Y., favoring the abolition of the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6655. By Mr. REBER: Petition of 15 members of Kalmia Chapter 261, Order Eastern Star, of St. Clair, Pa., favoring the passage of the Sterling-Towner bill creating a department of education; to the Committee on Education.

6656. By Mr. SINCLAIR: Petition of Ole Gunderson and 18 others, of Corinth, N. Dak.; E. G. Borchardt and F. H. Specht, of Underwood, N. Dak., urging the immediate passage of emergency legislation to stabilize the price of farm products; to the Committee on Agriculture.

6657. Also, petition of John Lyderson and 27 others, of Rawson, N. Dak., urging the immediate passage of emergency legislation for the relief of agriculture; to the Committee on Agriculture.

6658. Also, petition of Dr. J. R. Pence and 20 others, of Minot, N. Dak., favoring the abolition of the discriminatory tax on small-arms ammunition and firearms; also similar petition by Capt. H. Saunders and 20 others, of Minot, N. Dak.; to the Committee on Ways and Means.

6659. Also, petition of J. O. and Rudolf Ramstad, of Beach, N. Dak.; James A. and Helen McCulloch, of Fargo, N. Dak., for the passage of immediate legislation for agricultural relief; to the Committee on Agriculture.

6660. By Mr. SNYDER: Petition of Ernest M. Riggs and others, of Dolgeville, N. Y., to abolish the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6661. By Mr. YOUNG: Petition of the executive committee of the Commercial Club of Bismarck, praying that legislation be enacted providing for the enlargement of the Federal building at Bismarck, N. Dak.; to the Committee on Public Buildings and Grounds.

SENATE.

THURSDAY, December 21, 1922.

(Legislative day of Saturday, December 16, 1922.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

REPORT OF THE WAR FINANCE CORPORATION (H. DOC. NO. 512).

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, the fifth annual report of the War Finance Corporation, for the year ended November 30, 1922.

Mr. FLETCHER. I presume the report will be printed.

The PRESIDENT pro tempore. That will depend upon the order of the Senate.

Mr. FLETCHER. I move that it be printed and referred to the Committee on Finance.

The motion was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3275) granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 4100) to amend section 9 of the trading with the enemy act as amended, and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS.

Mr. LODGE presented the petition of Harris G. Hale and sundry other members of the congregation of the Leyden Congregational Church, of Brookline, Mass., favoring the passage of the so-called Near East refugee act, which was referred to the Committee on Immigration.

Mr. LADD presented memorials of C. M. Scidmore and 15 other citizens of Park River, and H. H. McCumber and 24 other citizens of Pettibone, all in the State of North Dakota, remonstrating against the enactment of the so-called ship subsidy bill, which were ordered to lie on the table.

He also presented petitions of A. M. Thompson and 1 other, of Wildrose; O. J. Freeman and 2 others, of Esmond; Albert H. Westphal and 2 others, of Clyde; N. M. Marvel and 2 others, of Moffit; M. M. Frelland and 2 others, of Cummings; A. L. Ede and 2 others, of Courtenay; C. C. Jensen and 2 others, of Kenmare; Aug. Arvidson and 2 others, of Wimbledon; E. Buhrn and 1 other, of Wheatland, all in the State of North Dakota; and O. Coeuyt and 2 others, of Carbondale, Colo., praying for the enactment of legislation stabilizing the prices of wheat, which were referred to the Committee on Agriculture and Forestry.

Mr. CAPPER presented a resolution adopted by the fifty-fifth annual session, National Grange of the Patrons of Husbandry, at Wichita, Kans., favoring the passage of the so-called Capper-French truth in fabric bill, which was referred to the Committee on Interstate Commerce.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I report back from the Committee on Appropriations with amendments the bill (H. R. 13374) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes, and I submit a report (No. 957) thereon.

Mr. WARREN. I desire to give notice that the bill just reported, the naval appropriation bill, will be brought up tomorrow morning immediately after the routine morning business.

The PRESIDENT pro tempore. Meanwhile the bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4218) for the relief of E. G. Crews; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 4219) to amend section 13 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. NORBECK (by request):

A bill (S. 4220) to provide credit facilities for the agricultural and live-stock industries of the United States, to amend the Federal farm loan act, to amend the Federal reserve act, and for other purposes; to the Committee on Banking and Currency.

CERTAIN FRENCH SPOILIATION CLAIMS.

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (S. 545) for the allowance of certain claims for indemnity for spoiliations by the French prior to July 31, 1801, as reported by the Court of Claims, which was referred to the Committee on Claims and ordered to be printed.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.